CCH® ProSystem fx® Fixed Assets

User Guide

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Chapter 1

INTRODUCTION

Welcome to CCH® ProSystem *fx*® Fixed Assets

CCH ProSystem *fx* Fixed Assets is a comprehensive software system that computes depreciation using various methods. CCH ProSystem *fx* Fixed Assets provides reports, worksheets, and FASB-compliant financial statements. In addition, fixed assets data can be transferred between CCH® ProSystem *fx*® Tax and CCH ProSystem *fx* Fixed Assets. Fixed Assets data can also be imported into CCH Axcess™ Tax.

CCH ProSystem *fx* Fixed Assets gives you access to the CCH ProSystem *fx* Technical Support team.

Highlights of CCH ProSystem *fx* Fixed Assets

The following list highlights some of the CCH ProSystem *fx* Fixed Assets features. Details can be found in this guide and in Help.

- **Automatic Computations**. Simultaneously computes and maintains asset depreciation using different methods of depreciation for different basis.

  CCH ProSystem *fx* Fixed Assets also calculates depreciation for short tax years, special allowance depreciation, and section 179 depreciation. Gain or loss on asset disposition and ITC basis adjustments are also automatically calculated.
- **Automatically calculates prior year depreciation**.
- **Calculations can be overridden**. Override CCH ProSystem *fx* Fixed Assets' computed depreciation amounts, when necessary.
- **Multiple Depreciation Books**. Provides five depreciation books (Federal, Financial, AMT, ACE, and State), plus three user-defined books.
- **Asset Disposition**. Computes gains and losses on the disposition of an asset. CCH ProSystem *fx* Fixed Assets can create a group disposition and print Government Disposition Form 4797.
- **Financial Statements and Reports**. Produces FASB-compliant financial statements and a variety of reports such as depreciation expense, depreciation expense comparison, projection, journal entry, variance, and net book value.

- **Report Presentation**. Reports can be filtered to specify which assets and books to include.
- **Report Customization**. The font, font style and size, and column widths of reports can be customized. Reports can be printed to a file for export to another program.
- **Fileable Forms**. Produces Government Forms 4562 and 4797.
- **Annual Cost Summary report**. Shows cost totals for each category type for the current and preceding years to assist in preparing property tax returns.
- **Simplified Data Entry**. Provides asset detail for all books in a grid display as well as instantaneous compilation for an asset.

  Predefined lists of asset types make it easy to add assets. In addition, you can create picklists for other items such as Location, Category, and General Ledger Account Numbers that can be used for all assets within a company.

  Similar assets can be entered using the Duplicate Asset feature.
- **Custom Property types**. Create and/or modify property types specific to your needs. Enter or modify the estimated market value, sales tax rate, and sales tax amount of an asset on the *Property Tax* tab.
- **Autoflow Feature**. Fills the cost of other open books with an entry in the federal cost.
- **GAAP rules for Like-kind Exchanges**. GAAP rules can be applied for Like-kind Exchanges in the Financial book.
- **Import Capabilities**. Imports asset data from CCH ProSystem *fx* Tax, Excel®, or CSV files.
- **Integration with Tax System**. Totals only or detailed asset data can be imported into a CCH ProSystem *fx* Tax return.
- **Integration with CCH® Global® Tax System**. Totals only or detailed asset data can be imported into a CCH Global *fx* Tax return.
- **Depreciation Computations**.
  - **Mid-quarter Convention**. For assets acquired during the current year, you have the option of having CCH ProSystem *fx* Fixed Assets determine if the mid-quarter convention applies, or forcing the mid-quarter or half-year convention. This is done on the client level when specifying Book Setup.
  - **Adjusted Current Earnings (ACE)**.
  - **Earnings and Profits (E&P)**.
  - **Tables and Formulas**.
  - **Prior Depreciation**.
  - **Section 179 - Total Cost of Property**.
  - **AMT Calculation**. For personal property acquired after 12/31/1998, AMT and the 150% election under MACRS are calculated over regular MACRS lives instead of Alternative Depreciation System lives.
  - **Luxury Autos Limits**.
- **Notes**. Provides an 80-character note field for each asset as well as a note field that applies to the client.

Additional Resources

- **Release Information**. For information on the latest features in the current release of CCH ProSystem *fx* Fixed Assets, select **Help > Release Info**.
- **User Guide**. Select **Help > Instruction Guides** to access the User Guide from the Help Menu.

About the CCH ProSystem *fx* Fixed Assets User Guide

This guide includes the following chapters:

- Chapter 1, Introduction, gives an overview of CCH ProSystem *fx* Fixed Assets and explains the CCH ProSystem *fx* Fixed Assets toolbars and system help features.
- Chapter 2, Installing CCH ProSystem *fx* Fixed Assets, gives step-by-step instructions for installing CCH ProSystem *fx* Fixed Assets on a network server or a standalone computer. It also discusses setting system preferences.
- Chapter 3, Managing Clients, explains how to add, view, and edit client properties. This chapter also includes information on managing and deleting client files.
- Chapter 4, Managing Assets, explains how to add, duplicate, view, edit, filter, and delete assets. It also discusses how to view asset projections.
- Chapter 5, Managing Asset Disposition, explains how to enter an individual or group asset disposition, view a disposition, change a disposition, and remove a disposition.
- Chapter 6, Reporting Data, explains how to define, preview, and print CCH ProSystem *fx* Fixed Assets reports.
- Chapter 7, Importing Data, explains how to import clients from CCH ProSystem *fx* Tax and CCH Global *fx* Tax, popular fixed assets applications, and various file types. This chapter also discusses importing CCH ProSystem *fx* Fixed Assets data into CCH ProSystem *fx* Tax and CCH Global *fx* Tax.
- Chapter 8, Depreciation Computations, is a reference for depreciation computations. The Table of Contents gives a complete list of the topics in this chapter.

Use the guide's table of contents to quickly locate information.

Conventions

To help you locate and interpret information, this guide uses consistent visual cues and a few standard text formats as follows:

- To clarify the paths to menu functions, the path is shown in parentheses below heading titles: (File > Client Properties > Basic Information).
- Specific actions you should make appear in bold lettering, for example: Select **Client Properties** from the menu.
- Italics are used to reference titles of chapters and sections in the guide, sections of a screen, dialogs, tabs, and fields. Here are some examples of this convention:
  - The *Group Disposition List* dialog displays.
  - Enter a date in the *Date of Disposition* field.
- Chapters and section names will have a hyperlink to that page in the guide, for example, *Allocating a Group Disposition* on page 135.
- A message beginning with Note, Tip, or Warning contains important additional information about the preceding text.
- Function keys are shown in bold lettering, for example: Press **F5** to locate an asset.

Keyboard Shortcut Keys

CCH ProSystem *fx* Fixed Assets assumes you are familiar with Windows® operating systems and that you are using a mouse with Windows®. However, for your convenience, the keyboard shortcuts available within CCH ProSystem *fx* Fixed Assets are listed below.

Dialog Box Keys

Shortcut	Function
Page Up or Page Down	Scrolls up or down a list box, one window at a time
Alt + Down Arrow, or F4	Opens a selected drop-down list
Alt + Up Arrow, or F4	Closes a selected drop-down list
Spacebar	Toggles between selecting and clearing a check box
Shift + Up Arrow, Shift + Down Arrow, Shift + Right Arrow, or Shift + Left Arrow	Extends the selection in a text box one character at a time

Shortcut	Function
Shift + Page Up	Extends the selection to the first character in a text box
Shift + Page Down	Extends the selection to the last character in a text box
Enter	Executes a command button or chooses the selected item in a list box and executes the command
Esc, or Alt + F4	Closes a dialog box without completing the command

Editing Keys

Shortcut	Function
Ctrl + C	Makes a copy of the selected text and places it on the Clipboard
Ctrl + V	Inserts text from the Clipboard to the active window
Ctrl + X	Deletes the selected text and places it on the Clipboard
Ctrl + Z	Reverses the previous editing operation

Cursor Movement Keys

Shortcut	Function
Up Arrow	Moves up one line
Down Arrow	Moves down one line
Right Arrow	Moves right one character
Left Arrow	Moves left one character
Ctrl + Right Arrow	Moves right one word
Ctrl + Left Arrow	Moves left one word
Home	Moves to the beginning of the line

Shortcut	Function
End	Moves to the end of the line

CCH ProSystem *fx* Fixed Assets Keys

Shortcut	Function
Ctrl + A	Selects Asset List or input field data
Ctrl + D	Deletes an asset
Ctrl + F	Finds a value and replaces it with another value
Ctrl + G	Finds the next occurrence of a specified value
Ctrl + N	Creates a new client
Ctrl + O	Opens a client
Alt + F4	Closes a client
Ctrl + R	Displays client properties
Ctrl + S	Saves content without closing the client file
Ctrl + T	Adds an asset
Ctrl + U	Duplicates an asset
F5	Goes to a specific asset
F6	Toggles between the upper and lower sections of the *Detail* and *Disposition* tabs
Alt + Home	Moves to the first asset
Alt + End	Moves to the last asset
Alt + Page Up, or Alt + Up Arrow	Moves to the previous asset
Alt + Page Down, or Alt + Down Arrow	Moves to the next asset

Menu Commands

Shortcut	Menu Commands
Ctrl + T	Assets > Add
Ctrl + D	Assets > Delete
Ctrl + U	Assets > Duplicate
Alt + Home	Assets > First
Alt + End	Assets > Last
Alt + Page Down	Assets > Next
Alt + Page Up	Assets > Previous
Ctrl + C	Edit > Copy
Ctrl + X	Edit > Cut
Del	Edit > Delete
F5	Edit > Go To
Ctrl + V	Edit > Paste
Ctrl + A	Edit > Select All
Ctrl + F	Edit > Find and Replace
Ctrl + Z	Edit > Undo
Ctrl + R	File > Client Properties
Alt + F4	File > Close
Ctrl + N	File > New …
Ctrl + O	File > Open …
Ctrl + S	File > Save

Navigation

Keyboard Shortcuts	Navigation Shortcuts	
⏮ or **Alt + Home**	**First**	Selects the first asset
◀ or **Alt + Page Up**	**Previous**	Selects the previous asset
▶ or **Alt + Page Down**	**Next**	Selects the next asset
⏭ or **Alt + End**	**Last**	Selects the last asset
➡	**Go To Asset**	Locates an asset by system number or company asset ID

Toolbar Buttons

CCH ProSystem *fx* Fixed Assets provides two toolbars for quick access to frequently used functions. The CCH ProSystem *fx* Fixed Assets toolbar consists of system-defined icons. The Standard toolbar can be customized to display user-defined icons. The toolbars can be turned on or off, and customized from the View menu. Use the following commands to set your toolbar preferences:

- **View > Toolbars > All**. Toggles both the CCH ProSystem *fx* Fixed Assets toolbar and the Standard toolbar on or off.
- **View > Toolbars > Fixed Assets**. Toggles the CCH ProSystem *fx* Fixed Assets toolbar on or off.
- **View > Toolbars > Standard**. Toggles the Standard toolbar on or off.
- **View > Toolbars > Customize**. Allows you to customize the Standard toolbar icons.

CCH ProSystem *fx* Fixed Assets Toolbar

New Client. **Ctrl + N**. Creates a new client file. If another client is open, you are prompted to save changes before creating a new client.

Open Client. **Ctrl + O**. Opens an existing client file. If another client is open, you are prompted to save changes before opening another client.

Save Client. **Ctrl + S**. Saves the active client file.

Delete Asset. **Ctrl + D**. Deletes the selected asset or assets.

Add Asset. **Ctrl + T**. Adds a new asset.

Duplicate Asset. **Ctrl + U**. Creates a duplicate of the selected asset.

Print Asset Detail. Prints an asset detail report including depreciation detail for the asset selected on the Asset List or displayed in the *Detail* tab.

Print Reports. Displays a list of reports that can be printed.

Display Calculation. Displays the calculation for the current year depreciation.

Open Client Notes. Opens the client's note.

Open Client Properties. **Ctrl + R**. Opens the *Client Properties* dialog allowing you to change client detail, setup books, etc.

Filters. Displays the *Filter List* dialog from which you can add filters or edit existing ones.

Filter List. Displays available filters that can be applied to the Asset List. This drop-down list is only available on the Asset List window.

Go To Asset. **F5**. Enables you to locate an asset by system number or company asset ID.

First, Previous. **Alt + Home**, **Alt + Page Up**. Moves to the first asset or previous asset.

Next, Last. **Alt + Page Down**, **Alt + End**. Moves to the next asset or last asset.

Standard Toolbar

The Standard toolbar can be customized to include the following icons:

New Client. **Ctrl + N**. Creates a new client file. If another client is open, you are prompted to save changes before creating a new client.

Open Client. **Ctrl + O**. Opens an existing client file. If another client is open, you are prompted to save changes before opening another client.

About. Displays the current version information and current licensing for CCH ProSystem *fx* Fixed Assets.

Close Client. **Alt + F4**. Closes a client file.

Customize Toolbar. Allows you to add, remove, and organize buttons on the Standard toolbar.

Exit. Closes CCH ProSystem *fx* Fixed Assets.

Import from Tax. Allows you to import asset data for CCH ProSystem *fx* Tax and CCH Global *fx* Tax clients.

Import Various File Types. Allows you to import asset data from a selection of fixed assets management applications, Excel® files, and comma separated value files.

Export to Engagement Menu. Displays a drop-down list of export functions that includes Export Reports and Provide Engagement User Info.

Copy Assets. Allows you to copy assets between client data files.

Transfer Assets. Allows you to transfer assets between client data files.

Print Menu. Displays a drop-down list of print functions, which includes Reports, Asset Detail, and Forms.

Edit Menu. Displays a drop-down list of editing functions that includes Undo, Cut, Copy (**Ctrl + C**), Paste, Delete, and Select All (**Ctrl + A**).

Find Menu. Displays a drop-down list of search functions that includes Find and Replace (**Ctrl + F**), and Find Next (**Ctrl + G**).

Multiple Duplicate. Allows you to specify the number of times to duplicate a selected asset.

Split Asset. Divides a single asset into multiple assets.

Undo Split. Combines split assets into the single originating asset.

Section 179 Allocation. Allows you to set the section 179 amounts on all eligible current-year assets from the Asset List.

File Management Menu. Displays a drop-down list of functions to manage a client file that includes Setup, Backup, Restore, Check-in, and Check-out.

Global Settings Menu. Displays a drop-down list to select and setup CCH ProSystem *fx* Fixed Assets Global Settings.

Books. Allows you to activate Financial, AMT, ACE, State, and define three additional books.

Copy Books. Allows you to copy books that are active in the current year to any book that is available. AMT and ACE are only available to copy if the originating book is Federal, AMT or ACE.

Columns. Allows you to add, remove, or rearrange columns for display in the Asset List.

Fields. Allows you to edit Asset Detail field definitions.

Lock/Unlock Calculation. Allows you to lock or unlock any active year.

Disposition Menu. Displays a drop-down list of disposition functions that includes Remove Disposition and Group Disposition.

Preferences. Allows you to set user preferences for certain print, display, export, currency rounding, data entry, and Global Settings update functions.

Configure Security. Allows you to password protect a client file.

Calculator. Displays the calculator program.

Close Year End. Allows you to close the current year and open the next year.

Remove Overrides. Removes the current depreciation overrides for all assets in the client file.

Reverse Closed Year. Allows you to roll back to the prior year.

Help Topics. **Alt + F1**. Displays the CCH ProSystem *fx* Fixed Assets Help program.

Release Info. Displays release information, feature, and system requirements for the installed version.

CCH ProSystem *fx* on the Web. Displays the list of CCH ProSystem *fx* Fixed Assets Web links.

Help for Current Field. **F1**. Displays field-level help for the selected field.

Tutorial. Launches the tutorial program.

Amend Asset. Allows you to amend a locked asset.

Customizing the Standard Toolbar

(View > Toolbars > Customize)

The CCH ProSystem *fx* Fixed Assets Standard toolbar can be customized using the following functions:

- Add, remove, and reorder buttons.
- Insert one or more separators to organize buttons.
- Restore previous toolbar settings.
- Show or hide button labels.
- Display small or large icon images.

Adding, Removing, and Reordering Buttons

To display the *Customize Toolbar - Standard Toolbar* dialog, do one of the following:

- Select **View > Toolbars > Customize**.
- Click **Customize Toolbar** on the toolbar.

The *Customize Toolbar - Standard Toolbar* dialog provides the following functions:

- **Add an item to the toolbar**. Select a button or separator from *Available toolbar buttons* and click **Add**, drag it to *Current toolbar buttons*, or double-click the item to add it.
- **Remove an item from the toolbar**. Select a button or separator from the *Current toolbar buttons* and click **Remove**, drag it to *Available toolbar buttons*, or double-click the item to remove it.
- **Reorder a toolbar item**. Select the item to be moved in *Current toolbar buttons* and click **Move Up** or **Move Down**. You can also drag an item to a new position.
- **Reset the toolbar**. Click to restore the toolbar to its setting prior to opening the dialog.

Standard Toolbar Display Options

The *Customize Toolbar - Standard Toolbar* dialog provides a *Text Options* drop-down list to modify the appearance of the Standard Toolbar. You can choose to show button labels below each icon, to the right of each icon, or to display icons without text labels.

Docking the Toolbars

By default, the toolbars are docked at the top of the screen below the menu bar. You can move them to another toolbar position or to another position on the CCH ProSystem *fx* Fixed Assets window. To move a toolbar, click a Separator (the vertical line on the left side of each toolbar) and drag it to any position.

Using the Status Bar

The status bar, located at the bottom of the window, displays messages advising what process is being performed. It also displays descriptions of selected menu options, field tips, and toolbar buttons. To toggle the status bar on/off, select **View > Status Bar**.

Using Help

To access Help, you can use any of the following methods:

- Select **Help > Help Topics**, press **Alt + F1**, or click **Help topics** on the toolbar to access help on all topics.
- Select **Help > Help for Current Field**, press **F1**, or click **Help for Current Field** on the toolbar for field-specific help.
- Select **Help > Tutorial** or click **Tutorial** on the toolbar to access the tutorial program for CCH ProSystem *fx* Fixed Assets.
- Select **Help > Instruction Guides** to access the program's instruction guides.

CCH ProSystem *fx* Fixed Assets support on the Web

The Customer Support Web site can be accessed by selecting **Help > CCH ProSystem *fx* Fixed Assets support on the Web** or by clicking **CCH ProSystem *fx* on the Web** on the toolbar.

The CCH ProSystem *fx* Fixed Assets support on the Web menu options open your Internet Web browser and take you to the selected area of the Customer Support Web site:

- **Product Home Page**. View information (e.g., FAQs, System Requirements, Hot Topics) related to the product.
- **Browse our Knowledge Base**. Browse articles by topic to find solutions that our tax and support team have compiled.
- **Contact Support**. Contact us with your general comments and questions, check the status of support and enhancement requests, view firm information change requests, find Web site administration information, and more.
- **Start a Remote Support Session**. Start a support session with a support representative.
- **My Account**. Log in or register to manage your account, receive copies of your invoices, check the status of your order, and more.

Supported Browsers

We support Microsoft® Internet Explorer®11.0 or higher.

Chapter 2

INSTALLING CCH PROSYSTEM FX FIXED ASSETS

Before beginning the installation, you should exit all Windows® programs. If this is a first-time installation, have your permission files ready or, if you will be downloading the permission files from the Internet, have your SSO login information ready. See *Permission Key* on page 18 for more information.

Notes:

- If this is a network installation, all users must exit the CCH ProSystem *fx* program and all CCH ProSystem *fx* applications.
- If you are using Citrix®, you must install CCH ProSystem *fx* Fixed Assets at the server PC as an administrator and run the installation using Add/Remove Programs in Control Panel. This ensures that INI and DLL program files are properly installed in the system directories.

System Requirements

Processor Requirements

- 32-bit platforms - 100% IBM®-compatible Pentium® PC, Pentium® 4 or higher required
- 64-bit platforms using AMD™ x86-64 or Intel® EM64T technology

File Servers

- 100% IBM®-compatible Pentium® PC, Pentium® 4 or higher required
- Memory per network operation system recommendations
- Microsoft® Windows Server® 2008 R2
- Microsoft® Windows Small Business Server® 2011
- Microsoft® Windows Server® 2012 R2

Operating Systems

Workstation Operating Systems:

- Microsoft® Windows® 7 Professional or Ultimate with Service Pack 1 (32-bit or 64-bit)
- Microsoft® Windows® 8.1 Professional or Enterprise (32-bit or 64-bit)

- Microsoft® Windows® 10 Professional or Enterprise (32-bit or 64-bit)

   Notes:

  - Starter, Media Center, and Home editions of Microsoft® Windows® operating systems are not supported.
  - Microsoft® Windows® 8.1 and Microsoft® Windows® 10 Basic and RT are not supported.
  - Pen and Touch interface will not be supported at this time.

Server Operating Systems:

- Microsoft® Windows Server® 2008 R2
- Microsoft® Windows Small Business Server® 2011

   Notes:

  - Server Core versions of Microsoft® Windows Server® systems are supported as file servers only.
  - Domain Controllers are not supported.

- Microsoft® Windows Server® 2012 R2
- Linux® (kernel 2.4.2 or higher, Samba 2.2.3a or higher)

   Note: Only supported as a file server environment. Installation cannot be performed on a machine hosting this environment.

RAM Requirements

Minimum:

- 2 GB RAM for 32-bit versions of Microsoft® Windows® 7, Windows® 8.1, or Windows ® 10
- 4 GB RAM for 64-bit versions of Microsoft® Windows® 7, Windows® 8.1, or Windows ® 10

   Note: 2 GB RAM is the minimum requirement on any system performing third party data conversions.

Recommended:

- 3 GB RAM for 32-bit versions of Microsoft® Windows® 7, Windows® 8.1, or Windows ® 10
- 4 GB RAM (or greater) for 64-bit versions of Microsoft® Windows® 7, Windows® 8.1, or Windows ® 10

   Note: Additional physical memory and hard drive space may be required for processing large client files, importing/exporting data, and printing reports. This can vary with the number of available books, attached Global Settings, closed/locked tax years, etc.

Disk Space Requirements

- Program files - 225 MB
- Tutorials - 5 MB

Citrix/Terminal Server Requirements

- Microsoft® Windows Server® 2008 R2 with Remote Desktop Services
- Microsoft® Windows Server® 2012 R2 with Remote Desktop Services
- Citrix® XenApp® 6.0
- Citrix® XenApp® 6.5
- Citrix® XenApp® 7.5

   Notes:

   - CCH ProSystem *fx* Fixed Assets must be run from a local drive.
   - Streaming applications is not supported.
   - Microsoft® Windows Server® 2012 R2 must have mapped drives properly configured within group policies.

Peer-to-Peer Environments

Peer-to-Peer environments (up to eight workstations) running Microsoft® Windows® 7, Windows® 8.1 or Windows® 10.

   Note: When running in Peer-to-Peer environments, a dedicated server is required.

LAN Processing

10 Mbps or greater (Ethernet)

   Note: For optimum performance, 100 Mbps, Full Duplex is recommended throughout your network, including workstation NIC cards, switches and hubs, and server NIC cards.

Network Clients - WAN

- Remote Desktop Connection version 5.2 or higher
- Citrix® Online Plug-in version 11 or higher

Network Clients - LAN

- Using the latest version of network clients is recommended:
   - Microsoft® Client for Microsoft® Networks
   - Microsoft® Client for NetWare™ Networks

Monitor Requirements

- Multi Monitor display - Multi Monitor support requires the primary monitor to be on the left
- Monitor display - small fonts with a minimum screen of 1024 x 768
- Colors - 16-bit Colors or greater

  Note: To enhance performance when running multiple CCH ProSystem *fx* applications, we recommend a Pentium® 4 class PC or higher. 2 GB+ is recommended for 32-bit versions of Microsoft® Windows®, 4 GB+ is recommended for 64-bit versions of Windows®.

Additional Components

- MDAC version 2.8 (or higher) is required on each workstation
- Microsoft® Visual C++® 2005 Service Pack 1 Redistributable
- Microsoft® Visual C++® 2010 Service Pack 1 Redistributable
- Microsoft® Visual C++® 2013 Service Pack 1 Redistributable
- Crystal Reports® version 9.0

Web Browsers

- Microsoft® Internet Explorer® version 11.0 or higher
- Firefox® version 3.0 or higher
- Google® Chrome™ version 48.0 or higher
- Opera version 9 or higher
- Safari® (for Microsoft® Windows®) version 3.0 or higher

Optional Components

- Microsoft® Office 2010 Service Pack 2, Office 2013 Service Pack 1, or Office 2016 (32-bit or 64-bit)
- Microsoft® Office 365™ (must include a desktop version for the installation of CCH ProSystem *fx* Fixed Assets)
- Adobe® Acrobat® Reader® version X or higher

Virus Scan

If running Real Time virus scanning options, exclusion of CCH ProSystem *fx* Fixed Assets directory structures is required on workstations and servers.

Compression

CCH ProSystem *fx* Fixed Assets files and folders must be excluded from any data compression.

Communications

High-speed Internet connection (DSL or higher) is required for downloading program updates.

Laser Printer

HP® III or higher with at least 2 MB of RAM

 Notes:

- GDI/Host based printers are not supported in a Citrix®/Terminal Server environment.
- Universal print drivers are not supported.

Permission Key

A permission key is necessary for your first installation of CCH ProSystem *fx* Fixed Assets and for the installation of the initial CCH ProSystem *fx* Fixed Assets release each year. For subsequent installations, the install program reads permission information from your hard drive or network server.

Permission keys are downloaded from our web site. For instructions, please see our Knowledge Base article: https://support.cch.com/kb/solution.aspx/kb159

Installing CCH ProSystem *fx* Fixed Assets

Do the following to install CCH ProSystem *fx* Fixed Assets to a standalone PC or network server:

1. If you are installing directly from the downloaded install files, then please follow the instructions provided in the release notes.
2. Select **Start > Run**.
3. Type **?:\Setup** (where ? represents the location of the install files) and click **OK**.

     Note: If necessary, click **Browse** to find your install files and select **Setup.exe**.

    After CCH ProSystem *fx* Fixed Assets Setup prepares for the installation, the *Permission File* dialog displays.

4. Select one of the following methods to install the permission key:
    - **Internet download**. Downloads the permission key from the Internet. If you are installing for the first time, this option is selected by default.

        If you use this method, you must enter your customer account number.
    - **Use previously installed permission key**. Not available for the first installation.
    - **Permission key disk drive path**. Select this option to use your permission files. Enter the drive location where the permission key is located or click **Browse** to locate the drive.
5. Do one of the following:
    - If you selected *Internet download*, enter your CCH ProSystem *fx* user ID and password on the CCH ProSystem *fx* Login screen, and click **Login** to begin downloading your permission key. The permission key is downloaded from the Web site and the installation proceeds to the next step automatically.

- If you selected a different option on the *Permission File* dialog, click **Next** to continue to the Welcome screen.

6. Click **Next** on the Welcome screen to display the *Type of Installation* dialog.

7. Select one of the following options:

   - **Network Install**. Installs CCH ProSystem *fx* Fixed Assets to a common network drive for access by other networked workstations. Users from other workstations must run Setup.exe from the network drive/directory where CCH ProSystem *fx* Fixed Assets is installed. See the following section, *Workstation Setup*, for information.

   - **Standalone Install**. Installs CCH ProSystem *fx* Fixed Assets to your computer and creates a program group with an icon to access CCH ProSystem *fx* Fixed Assets.

8. Click **Next** to continue.

9. Select the destination location for the program files. You can accept the default location, C:\FixedAst, or click **Browse** to select a different location.

   Note: If a message advises there is insufficient space on the selected drive, you must select a different drive or exit the installation and allow for additional space on the destination drive.

10. Click **Next** to continue.

11. Select the destination location for the client data. You can accept the default location, C:\FixedAst\UserData, or click **Browse** and select a different location to store the client data files.

12. Click **Next** to continue.

13. Do one of the following:

    - If you selected the Standalone Install, skip to the next step.

    - If you are running the Network Install, you must select the location of the work folder where your backup files are stored. Accept the default location or click **Browse** to change the location. The work folder should be on a local drive. Click **Next** to continue.

14. Select the features you want to install.

    - **Tutorial**. Installs the tutorial for CCH ProSystem *fx* Fixed Assets.

    - **Sample Clients**. Installs sample client data for your reference.

    - **User Guide**. Creates a shortcut to the *CCH ProSystem fx Fixed Assets User Guide* located on the installation CD.

15. Click **Next** to continue.

16. Do one of the following:

    - If you did not select to install the *CCH ProSystem fx Fixed Assets User Guide*, skip to the next step.

    - If you selected to install the User Guide, select the location of the CCH ProSystem *fx* Fixed Assets CD. The local CD-ROM drive is selected by default. Click **Browse** to select a different drive. Click **Next** to continue.

17. Select a program folder for the CCH ProSystem *fx* Fixed Assets icons. You can accept the default, enter a new folder name, or select another existing folder.

18. Click **Next** to continue.

19. Click **Install** to begin the installation.

20. When the install is complete, you are prompted to restart your computer. Make a selection and click **Finish**.

    Note: You can select to do this now or later, but the computer **must** be restarted to update certain system files before running CCH ProSystem *fx* Fixed Assets.

Workstation Setup

Complete the following steps to give a workstation access to a network installation of Fixed Assets:

1. Select **Start > Run**.

2. Enter the directory path of the CCH ProSystem *fx* Fixed Assets workstation setup program, ?:\FixedAst\Setup.exe (where ? represents the network drive). Use **Browse**, if needed, to locate the path. Click **OK**.

3. Click **Next** on the Welcome screen to display the *Type of Installation* dialog.

4. Select **Workstation Setup** and click **Next**.

5. Select a location for your work folder where your backup files will be stored. Accept the default location or click **Browse** to select a different location. The work folder should be on a local drive. Click **Next** to continue.

6. Select **Install User Guide** to create a shortcut to the *CCH ProSystem fx Fixed Assets User Guide* in the program group *CCH ProSystem fx Fixed Assets Instruction Guide*. Click **Next** to continue.

7. Select the location of the CCH ProSystem *fx* Fixed Assets Guide folder. The Guide folder must be in the selected location to access the User Guide.

    Note: The *CCH ProSystem fx Fixed Assets User Guide* requires Adobe® Reader®.

8. Select a program folder for the CCH ProSystem *fx* Fixed Assets icons. You can accept the default, enter a new folder name, or select another existing folder. Click **Next** to continue.

9. Click **Install** to begin the installation. Make a selection and click **Finish**.

10. When the install is complete, you are prompted to restart your computer.

    Note: You can select to do this now or later, but the computer must be restarted to update certain system files before running CCH ProSystem *fx* Fixed Assets.

Uninstalling CCH ProSystem *fx* Fixed Assets

To uninstall CCH ProSystem *fx* Fixed Assets, complete the following steps:

1. From the **Start** menu, select Control Panel > Programs and Features.
2. On the *Install/Uninstall* tab, select **CCH ProSystem *fx* Fixed Assets** from the list of installed software and click **Add/Remove**. If you are uninstalling a local installation, skip to step 4.
3. Do one of the following:

   - To uninstall the entire network installation, choose **Uninstall Network**.
   - To remove the local program group, icons, and registry entries, choose **Uninstall Workstation**.
4. A confirmation dialog displays. Click **Yes** to begin the uninstall program.
5. Click **Finish**.

Notes:

- You may be prompted to restart your computer. You can choose to restart now or later, but the computer must be restarted to completely remove CCH ProSystem *fx* Fixed Assets program files.
- The uninstall program does not remove client data files or custom Global Settings.

Setting Preferences

(Tools > Preferences)

The CCH ProSystem *fx* Fixed Assets user preferences allow you to do the following:

- Control what assets display and the way the Asset List displays.
- Control what assets print in reports.
- Specify how currency values are rounded.
- Carry an existing asset's tax link, sales tax rate, and settings to new assets.
- Automatically allocate a portion of gain/loss to assets involved in group dispositions.
- Control when you upgrade Global Settings.

To set display, print, and new asset preferences, do the following:

1. To display the *Preferences* dialog, do one of the following:
   - Select **Tools > Preferences**.
   - Click **Preferences** on the toolbar.

2. In the *Display options* section, check one or both of the following boxes:
   - **Display prior year disposed assets**. Display assets with prior year disposition dates. When the option is not checked, assets with disposition dates prior to the current year are removed from the Asset List.
   - **Display fully depreciated assets**. Display fully depreciated assets. When the option is not checked, assets with no current depreciation, no adjusted basis, and placed in service prior to the current year are removed from the Asset List.

3. Choose a grid style from the *Asset List style* drop-down list in the *Display options* section.
   - Display all lines
   - Display vertical lines only

- Alternating shaded lines
- No lines

4. In the *Print and export options* section, check any or all of the following options:

   - **Print prior year disposed assets**. Include assets with disposition dates prior to the current year in printed reports or printed asset detail.

   - **Print fully depreciated assets**. Include all fully depreciated assets in printed reports or printed asset detail.

   - **Prepare Form 4562 even if not required to be filed**. Preview and print Form 4562 whether or not it is required to be filed.

   - **Create single PDF file for multiple report selection**. Creates a single PDF file with bookmarks for multiple reports. When this option is not selected, the system processes a PDF file for each report.

      Note: You can also print a group of reports to a single PDF on a case-by-case basis by selecting the *Print to single PDF* option on the *Print* dialog.

5. In the *Currency rounding* section, choose whether to round currency values to the nearest dollar or penny.

   Warning! If you change your *Currency rounding* preference from penny to dollar, the pennies will not recalculate if you change the option back.

6. In the *Data entry* section, select one or both of the following boxes:

   - **Use previous tax link for new asset**. New assets assume the same tax link as the preceding asset in the Asset List.

   - **Use previous asset's sales tax rate**. New assets adopt the sales tax rate entered on the previous asset.

   - **Use previous asset's settings for new asset**. New assets adopt the following details from the previous asset's settings:
      - Date Acquired
      - Date in Service
      - Category
      - Location
      - Type of Property
      - Additional Property Type
      - Special Allowance Option
      - Business Use Percentage
      - Method
      - Life
      - Convention
      - Tax Preference/Section 168(e) Code

7. Select **Always allocate portion of gain/loss to each asset** to automatically allocate gain/loss amounts to individual assets involved in group dispositions. Each asset involved in a group disposition will display allocated gain/loss amounts on the *Disposition* tab.

   Note: Selecting this option will not automatically allocate gain/loss amounts to assets involved in existing group dispositions.

8. See *Configuring Global Setting Update Options* on page 42 to determine how updated Global Settings are applied to client files.

9. Click **OK**.

Setting Up a Printer

(File > Printer Setup)

Use Printer Setup to change the printer destination for your reports.

1. Select **File > Printer Setup**.

2. Select a printer from the *Name* drop-down list.

   Note: To change printer configurations, click **Properties**.

3. Click **OK** to save your changes and exit this dialog.

Overview of Global Settings

(Tools > Global Settings)

Global settings can be customized as default values for a variety of CCH ProSystem *fx* Fixed Assets components. Apply global settings to reduce the time it takes to create new assets and reports for a client, and to ensure consistency in the application of certain program and depreciation calculation settings.

1. To select a Global Setting option, do the following:
   - Select **Tools > Global Settings**.
   - Click **Global Settings Menu** on the toolbar.

2. Select one of the following options:

Amortization Code Sections	GL Asset Accounts
Assets	GL Depr/Amort Exp Accts
Books	Locations
Categories	Reports

Columns	Report Sets
Filters	Security
GL Accum Depr/Amort Accts	User-Defined

See *Setting Preferences* on page 21 for instructions on determining how changes to Global Settings should be applied to existing client files.

Note: An individual using a remote installation of CCH ProSystem *fx* Fixed Assets can configure the system to use Global Settings from a network installation or copy settings from an alternate location into a local setup.

Creating Global Settings for Amortization Code Sections

(Tools > Global Settings > Amortization Code Section)

To create a Global Setting for Amortization Code Sections, do the following:

1. To display the *Global Settings - Amortization code section* dialog, do one of the following:
    - Select **Tools > Global Settings > Amortization Code Section**.
    - Click **Global Settings Menu** and select **Amortization Code Section**.
2. Click **New**. The *Global Settings - Amortization code section* dialog displays and lists amortization codes.
3. Edit the name or enter a new name in the *Global setting* field.
4. If desired, enter descriptive text in the *Field tip* field to display in the left area of the status bar.
5. Do any of the following:
    - To move the position of an item in the picklist, select an item and click **Move Up** or **Move Down**.
    - To delete items from the picklist, select an item and select **Delete**.
    - To clear the entire picklist, select **Clear list**.
    - Select **Restore** to restore the system-provided picklist.
    - To list the items alphabetically, check the **Sort list alphabetically** box.
    - To add an item to the picklist, enter a new item in the *Edit item* field and click **Add**.
    - To change an item, highlight an existing item. The selected item displays in the *Edit item* field. Make changes to the item in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.
6. Click **OK** to save your changes and exit this dialog.
7. Click **Close**.

Creating Global Settings for Assets

(Tools > Global Settings > Assets)

Use the following procedure to create customized method, life defaults, and whether to allow Section 179 for existing property types (for example, Auto or Personal). These new defaults can be applied to Federal and other books (for example, Financial and AMT). You can also create customized property types.

Use this procedure to create Global Settings:

1. To display the *Global Settings - Assets* dialog, do one of the following:
   - Select **Tools > Global Settings > Assets**.
   - Click **Global Settings Menu** and select **Assets**.

2. Click **New**. The *Global Settings - Assets* dialog displays a list of property types.

3. Edit the default name in the *Global setting name* field.
4. You can do the following:
   - Edit the method, life values, and whether to allow Section 179 for one or more of the default property types.

     The values available in the *Method* field for selection are dependent on the start and end dates. The values in the *Life* field are determined by the selected method.

Once Global Settings for Assets are applied to a client's file, changes made to default method and life values are applied to existing assets.

a. Click the tab for the book you want to change and highlight a property type.

b. Click **Edit** and make changes to the default method, life values, and whether to allow Section 179.

c. Click **Apply** to update the values for the selected property type or click **Clear** to abandon your changes and exit Edit mode.

d. If you change the method value on the *Federal* tab, you may be prompted to apply your changes to other books where the modifications are relevant. Click **Yes** to apply the changes to the other books. Click **No** to only apply the changes to the Federal book.

Note: If Global Settings for assets has methods or lives different from the *Federal* tab, the setting for *Compute Basis As...* in **File > Client Properties > Book Setup** must be changed to None. Otherwise, the book will follow Federal.

■ Create a customized property type.

CCH ProSystem *fx* Fixed Assets includes more than two dozen default property types, see *Default Property Types* on the facing page. You also have the option to create customized property types.

The *Long Name*, *Abbreviated Name*, and *Code* fields are required fields.

a. Click **New** on the *Global Settings List - Assets* dialog. The *New Property Type* dialog displays.

b. Enter a name for the property type in the *Long Name* field.

Information entered in the *Long Name* and *Code* fields displays in the picklist of the *Type of Property* field in the depreciation detail section of the *Detail* tab. The field allows 40 characters.

c. Enter an abbreviated name for the property type in the *Abbreviated Name* field.

The abbreviated name displays in the *Type of Property* field after a customized property type has been selected. The code value also displays in reports.

d. Enter a code for the new property type in the *Code* field.

The code is appended to the long name in the *Type of Property* drop-down list and may also be used in the reports. The field allows four characters.

e. Enter a start date for the new property type in the *Start Date* field.

f. Enter an end date for the new property type in the *End Date* field. Your new property type displays in the *Type of Property* drop-down list on the *Detail* tab when the Date in service is in this date range. The new property type will remain in the list until it has an end date that has expired.

g. Click **OK** to save your changes and exit this dialog. The *Global Settings - Assets* dialog displays in edit mode.

h. Select a depreciation method from the *Method* drop-down list.

i. Select or enter a default value in the *Life* field.

j. Select whether to allow Section 179 for the new property type in the *Allow Sec 179* field.

k. Click **Apply** to update the values for the new property type or **Clear** to abandon your changes and exit edit mode.

- Assign default property type.

    When adding new assets, you have the option of selecting the default property type that will display in the *Type of Property* field on the *Detail* tab.

    The default property type displays on all book tabs, but can only be set on the *Federal* tab.

    a. Highlight a property type in the list.

    b. Click **Set as Default**. The property type selected now displays an asterisk (*) denoting that it is the default property type. It is also the first in the *Property Type* list.

5. Click **OK** to save your changes and exit this dialog.

6. Click **Close**.

Default Property Types

CCH ProSystem *fx* Fixed Assets includes the following default property types:

Personal	Investment	Res Rental
Amort	Leasehold	RRB
Auto	NonRes	Software
Auto-Elec	Other	Start Up
Auto-No Lmt	Qual Lease	SUV
Foreign	Real	Tax-Exempt
Fuels Outlet	Real-Farm	Truck/Van
IDC	Real LIH	Utility
Improvement	Reforestation	Water Utility

Creating Global Settings for Books

(Tools > Global Settings > Books)

To create a Global Setting for books, do the following:

1. To display the *Global Settings List- Books* dialog, do one of the following:
   - Select **Tools > Global Settings > Books**.
   - Click **Global Settings Menu** and select **Books**.
2. Select the client type the Global Setting is to be configured for and click **New**.

   The *Global Settings - Books* dialog displays.

Global Settings - Books

Global setting name: Global Settings - Books #1

General	Federal	Financial	AMT	ACE	State	Other1	Other2	Other3
Activate Book	Yes	Yes	Yes	Yes	Yes	No	No	No
Book description	Federal	Financial	AMT	ACE	State	Other 1	Other 2	Other 3
Autoflow								
Federal cost	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Section 179	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
Disaster Zone	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cellulosic Biomass Ethanol	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Recycling	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Special Allowance 168(k) JCWA/JGTRRA	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
50% Bonus	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
100% Bonus	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
40% Bonus	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30% Bonus	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Calculation								
Federal ITC basis adjustment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compute basis as...	N/A	Federal	N/A	N/A	Federal	Federal	Federal	Federal
State Export								
Designate state for export	N/A	N/A	N/A	N/A				

☐ Depreciate remaining basis in final year of the asset's life ☐ Use GAAP rules in the Financial book for Like-kind Exchanges
☐ Treat Section 179 recapture on disposition as depreciation

Mid-Quarter convention: Compute

[OK] [Cancel] [Help]

3. Edit the name in the *Global settings name* field as needed.
4. Configure the book settings as needed. See *Setting Up Books* on page 48 for configuration details.
5. Click **OK** to save your changes and exit this dialog.
6. Click **Close**.

Creating Global Settings for Categories

(Tools > Global Settings > Categories)

To create a Global Setting for categories, do the following:

1. To display the *Global Settings List - Category* dialog, do one of the following:
   - Select **Tools > Global Settings > Categories**.
   - Click **Global Settings Menu** and select **Categories**.
2. Click **New**. The *Global Settings - Category* dialog displays.
3. Edit or enter a new name in the *Global setting* field.
4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.
5. Do any of the following:
   - To move the position of a category in the picklist, select a category and click **Move Up** or **Move Down**.
   - To delete categories from the picklist, select a category and select **Delete**.
   - To clear the entire picklist, select **Clear list**.
   - To list the categories alphabetically, select **Sort list alphabetically**.
   - To add a new category to the picklist, enter a new category in the *Edit item* field and click **Add**.
   - To change an item, highlight an existing category. The selected category displays in the *Edit item* field. Make changes to the category in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.
6. Click **OK** to save your changes and exit this dialog.
7. Click **Close**.

Creating Global Settings for Columns

(Tools > Global Settings > Columns)

To create a Global Setting for the columns displayed on the *Asset List* tab, do the following:

1. To display the *Global Settings - Columns* dialog, do one of the following:
   - Select **Tools > Global Settings > Columns**.
   - Click **Global Settings Menu** and select **Columns**.
2. Click **New**. The dialog displays.
3. Edit or enter a new name in the *Global setting name* field.
4. Select a type of book (for example, Disposition, Federal, etc.) from the *Column Category* drop-down list according to the type of detail you want to display.

5. Change the columns configurations as needed.

- **Add columns**. Select one or more columns from the *Available columns* list and click the right arrow. You can also double-click or drag columns to add them to the *Columns selected for display* list.

- **Remove columns**. Select one or more items from the *Columns selected for display* list and click the left arrow. You can also double-click or drag columns to move them to the *Available columns* list.

- **Change the order of columns**. Select a column in the *Columns selected for display* list. Click **Move Up** or **Move Down**.

- **Restore defaults**. Click **Apply Default** to return the *Columns selected for display* to the original system-default list.

6. Repeat steps 4 and 5 until columns for all desired categories are selected. A maximum of 26 columns may be selected for the Asset List view.

7. Click **OK**.

8. Click **Close**.

Note: When column selections are made to an active book and the book is then deactivated, any saved column selections are retained. The data is cleared and the columns become blank.

Creating Global Settings for Filters

(Tools > Global Settings > Filters)

To create a Global Setting for a filter that can be applied to selected files, do the following:

1. To display the *Global Settings List - Filters* dialog, do one of the following:

- Select **Tools > Global Settings > Filters**.
- Click **Global Settings Menu** and select **Filters**.

2. Click **New**. The *Filter Editor* dialog displays.
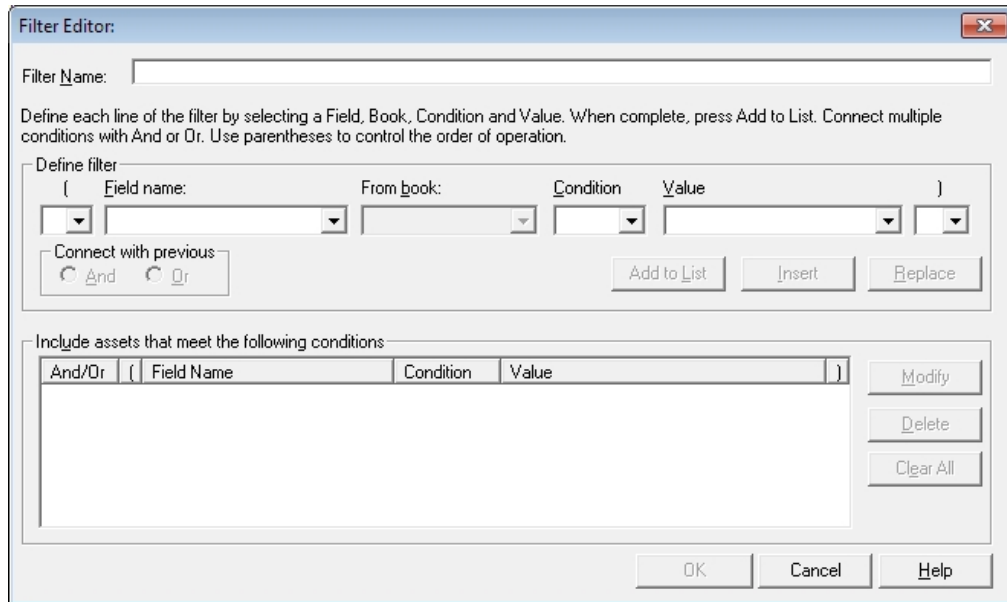
3. Edit the name or enter a new name in the *Filter Name* field.

4. Create the first line of the condition that will control which assets are affected by this filter. The elements that can be used to define a filter include the following:

   - **Parenthesis**. Use the left and right parentheses to connect multiple expressions.

   - **Field name**. Use the drop-down list to select the general or detail field to be used. Fields are listed alphabetically with detail fields listed first and general fields listed last.

   - **From book**. This field becomes available if the field name you choose is a detail field. Select the book from the drop-down list. You also have the option of applying the search conditions to any or all of the available books. Selecting **Any** returns results if one or more books match the search criteria. If **All** is selected, each book must meet the applied search condition to return a result.

   - **Condition**. Use the drop-down list to select the search operators to use in the formula. There are eight system-defined operands.

=	Equal
<>	Not Equal
>	Greater Than
>=	Greater Than or Equal
<	Less Than
<=	Less Than or Equal

P	Present
NP	Not Present

- **Value**. The choices available depend on the field name you chose. The following entries are possible.

  - **Picklist**. If the field has a picklist associated with it (e.g., Category field), the picklist displays in the Value field.
  - **Date field**. If the field is a date field, the date entered must match the mm/dd/yyyy date format.
  - **Numeric amount**. If the field is a numeric field, enter a numeric value in the format to be used.

5. When you have completed the line, you can do one of the following:

    - Click **Add to List** to insert the filter into the bottom section of the window. If this is not the first line, it is added to the end of the formula list.
    - Highlight an existing line. Click **Insert** to add the line directly above the highlighted line.
    - Highlight an existing line. Click **Replace** to delete the existing line and replace it with the newly defined formula.

6. You can continue adding filters to the formula list. To connect two consecutive lines, use the **And** or **Or** connector by choosing a radio button in the *Connect with previous* section.

7. You can also manipulate the filter lines by using one of the following buttons:

    - **Modify**. Highlight a line in the formula and click **Modify**. You can change any of the elements that define the line. Click **Replace** to exchange the existing line with the modified line. You can also click **Add to List** or **Insert** to add a new line to the list while leaving the existing line unchanged.
    - **Delete**. Highlight a line in the formula list and click **Delete**. You are asked to confirm that you want to delete the line.
    - **Clear All**. Clicking this button deletes all defined formula lines.

8. Click **OK** when you are finished.

9. Click **Close**.

Creating Global Settings for GL Accum Depr/Amort Accounts

(Tools > Global Settings > GL Accum Depr/Amort Acct)

To create a Global Setting for GL Accum Depr/Amort Accounts, do the following:

1. To display the *Global Settings List - GL accum. depr./amort. accts.* dialog, do one of the following:
   - Select **Tools > Global Settings > GL Accum Depr/Amort Acct**.
   - Click **Global Settings Menu** and select **GL Accum Depr/Amort Acct**.
2. Click **New**. The *Global Settings - GL accum. depr./amort. acct.* dialog displays.
3. Edit or enter a new name in the *Global setting* field.
4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.
5. Do any of the following:
   - To move the position of an item in the picklist, select an item and click **Move Up** or **Move Down**.
   - To delete items from the picklist, select an item and select **Delete**.
   - To clear the entire picklist, select **Clear list**.
   - To list the items alphabetically, check the **Sort list alphabetically** box.
   - To add an item to the picklist, enter a new item in the *Edit item* field and click **Add**.
   - To change an item, highlight or double-click an existing item. The selected item displays in the *Edit item* field. Make changes to the item in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.
6. Click **OK** to save your changes and exit this dialog.
7. Click **Close**.

Creating Global Settings for GL Asset Accounts

(Tools > Global Settings > GL Asset Account)

To create a Global Setting for GL Asset Accounts, do the following:

1. To display the *Global Settings List - GL asset accounts* dialog, do one of the following:
   - Select **Tools > Global Settings > GL Asset Account**.
   - Click **Global Settings Menu** and select **GL Asset Account**.
2. Click **New**. The *Global Settings - GL asset account* dialog displays.
3. Edit or enter a new name in the *Global setting* field.
4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.

5. Do any of the following:

   ▪ To move the position of an item in the picklist, select an item and click **Move Up** or **Move Down**.

   ▪ To delete items from the picklist, select an item and select **Delete**.

   ▪ To clear the entire picklist, select **Clear list**.

   ▪ To list the items alphabetically, check the **Sort list alphabetically** box.

   ▪ To add an item to the picklist, enter a new item in the *Edit item* field and click **Add**.

   ▪ To change an item, highlight or double-click an existing item. The selected item displays in the *Edit item* field. Make changes to the item in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.

6. Click **OK** to save your changes and exit this dialog.

7. Click **Close**.

Creating Global Settings for GL Depr/Amort Exp Accounts

(Tools > Global Settings > GL Depr Amort Exp Acct)

To create a Global Setting for GL Depr/Amort Exp Accounts, do the following:

1. To display the *Global Settings List - GL depr./amort. exp. accts.* dialog, do one of the following:

   ▪ Select **Tools > Global Settings > GL Depr Amort Exp Acct**.

   ▪ Click **Global Settings Menu** and select **GL Depr/Amort Exp Acct**.

2. Click **New**. The *Global Settings - GL depr./amort. exp. acct.* dialog displays.

3. Edit or enter a new name in the *Global setting* field.

4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.

5. Do any of the following:

   ▪ To move the position of an item in the picklist, select an item and click **Move Up** or **Move Down**.

   ▪ To delete items from the picklist, select an item and select **Delete**.

   ▪ To clear the entire picklist, select **Clear list**.

   ▪ To list the items alphabetically, check the **Sort list alphabetically** box.

   ▪ To add an item to the picklist, enter a new item in the *Edit item* field and click **Add**.

   ▪ To change an item, highlight or double-click an existing item. The selected item displays in the *Edit item* field. Make changes to the item in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.

6. Click **OK** to save your changes and exit this dialog.

7. Click **Close**.

Creating Global Settings for Locations

(Tools > Global Settings > Locations)

To create a Global Setting for Locations, do the following:

1. To display the *Global Settings List - Locations* dialog, do one of the following:
   - Select **Tools > Global Settings > Locations**.
   - Click **Global Settings Menu** and select **Locations**.
2. Click **New**. The *Global Settings - Location* dialog displays.
3. Edit or enter a new name in the *Global setting* field.
4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.
5. Do any of the following:
   - To move the position of a location in the picklist, select a location and click **Move Up** or **Move Down**.
   - To delete locations from the picklist, select a location and select **Delete**.
   - To clear the entire picklist, select **Clear list**.
   - To list the locations alphabetically, check the **Sort list alphabetically** box.
   - To add a location to the picklist, enter a new location in the *Edit item* field and click **Add**.
   - To change an item, highlight or double-click an existing location. The selected location displays in the *Edit item* field. Make changes to the location in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.
6. Click **OK** to save your changes and exit this dialog.
7. Click **Close**.

Creating Global Settings for Reports

(Tools > Global Settings > Reports)

Report properties cannot be customized for Form 4797.

To create a Global Setting for reports or forms, do the following:

1. To display the *Global Settings List - Reports* dialog, do one of the following:
   - Select **Tools > Global Settings > Reports**.
   - Click **Global Settings Menu** and select **Reports**.
2. Click **New**. The *Global Settings - Reports* dialog displays.
3. Edit the contents of the *Global setting name* field as needed.

4. Do one or more of the following as needed:
   - To modify a report's settings, select a report from the *Reports list* and click **Properties**. Make the needed configurations and click **OK**.
   - To set the report formatting options, click **Set Reporting Format**. Make the necessary changes and click **OK**.
   - To modify settings for Form 4562, select the form in the *Forms list* and click **Form Properties**. Make the needed configurations and click **OK**.
5. Click **OK** on the *Global Settings - Reports* dialog to save settings.
6. Click **Close**.

Creating Global Settings for Report Sets

(Tools > Global Settings > Report Sets)

Book overrides do not apply to certain reports.

To create a Global Setting for report sets, do the following:

1. To display the *Global Settings List - Report Sets* dialog, do one of the following:
   - Select **Tools > Global Settings > Report Sets**.
   - Click **Global Settings Menu** and select **Report Sets**.
2. Click **New** to display the *Edit Report Set* dialog.

3. Edit the contents of the *Set name* field as needed.

4. Select the reports you want to include in the report set and configure the report and book overrides as needed. See *Creating a Report Set* on page 159 for details.

5. To edit properties for an individual report in a set, highlight the report and click **Properties**. See *Customizing Report Properties* on page 142 for more information.

6. Click **Save** to save your settings and close the *Edit Report Set* dialog.

7. Click **Close**.

Creating Global Settings for User Defined Fields

(Tools > Global Settings > User Defined)

Seven user-defined fields can be customized for items such as cost center, department, and asset ID tag.

To create a Global Setting for User Defined fields 1 through 7, do the following:

1. To display the *Global Settings List - User Defined* dialog, do one of the following:
   ▪ Select **Tools > Global Settings > User Defined**.
   ▪ Click **Global Settings Menu** and select **User Defined**.

2. Click **New**. The *Global Settings - User defined* dialog displays.

3. Edit or enter a new name in the *Global setting name* field.

4. If desired, enter descriptive text in the *Field tip* field to be displayed in the left area of the status bar.

5. Do any of the following:
   ▪ To move the position of an item in the picklist, select an item and click **Move Up** or **Move Down**.
   ▪ To delete items from the picklist, select an item and select **Delete**.
   ▪ To clear the entire picklist, select **Clear list**.
   ▪ To list the items alphabetically, check the **Sort list alphabetically** box.
   ▪ To add an item to the picklist, enter a new item in the *Edit item* field and click **Add**.
   ▪ To change an item, highlight or double-click an existing item. The selected item displays in the *Edit item* field. Make changes to the item in the *Edit item* field. Click **Apply** to update the picklist or **Clear field** to abandon your changes.

6. Click **OK** to save your changes and exit this dialog.

7. Click **Close**.

Editing Global Settings

(Tools > Global Settings)

To make changes to Global Settings, do the following:

1. Select **Tools > Global Settings** or click **Global Settings Menu** on the toolbar.
2. Select one of the following from the drop-down menu:

Amortization Code Sections	GL Asset Accounts
Assets	GL Depr/Amort Exp Accts
Books	Locations
Categories	Reports
Columns	Report Sets
Filters	Security
GL Accum Depr/Amort Accts	User-Defined

3. Highlight the Global Setting to be updated and click **Edit**.
4. Make the necessary changes and click **OK**.

   Note: If editing a Global Setting for a report, select a report or form and click **Properties** on the *Global Settings - Reports* dialog. Click **Form Properties** to edit Form 4562.

Renaming Global Settings

(Tools > Global Settings)

To rename a Global Setting, do the following:

1. Select **Tools > Global Settings** or click **Global Settings Menu** from the toolbar.
2. Select the desired category from the drop-down list.
3. Highlight the Global Setting to change and click **Rename**. The *Rename Global Setting* dialog displays.
4. Enter a new name in the *Change to* field and click **OK**.

Copying Global Settings from an Alternate Location

(Tools > Global Settings > Select > Copy Global Settings)

This procedure cannot be performed if a client file is currently open.

To configure options for copying Global Settings from an alternate location, do the following:

1. Select **Tools > Global Settings > Select > Copy Global Settings**. The *Global Data Settings* dialog displays.
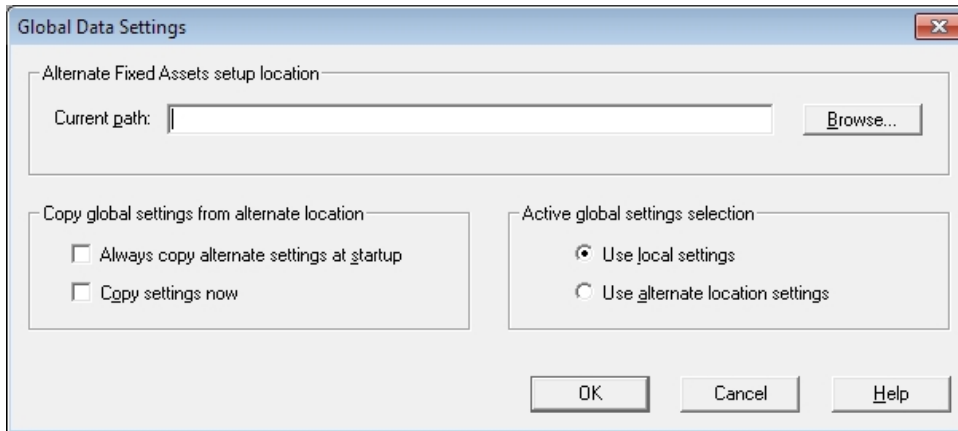
2. In the *Current path field,* enter the path to the location of the CCH ProSystem *fx* Fixed Assets installation (i.e., x:\fixedast) where Global Settings are to be copied from, or click **Browse**.

3. In the *Copy global settings from alternate location* section, do one of the following:

   ▪ To copy Global Settings now, check the **Copy settings now** box.

   ▪ To import updated Global Settings the next time CCH ProSystem *fx* Fixed Assets is opened, check the **Always copy alternate settings at startup** box.

   ▪ Check both boxes to import Global Settings when you exit this dialog and to import Global Settings each time CCH ProSystem *fx* Fixed Assets is opened.

4. Click **OK**.

Note: If the *Copy settings now* box is checked, you are prompted for a password if you have enabled the Global Data Security option in your local installation.

Switching Between Local and Network Global Settings

(Tools > Global Settings > Select\Copy Global Settings)

To configure CCH ProSystem *fx* Fixed Assets to use local or network Global Settings, do the following:

1. Select **Tools > Global Settings > Select\Copy Global Settings**.
2. In the *Active global settings selection* section, do one of the following:
    - To use your local Global Settings, choose **Use local settings**.
    - To use network Global Settings, choose **Use alternate location settings**.
3. Click **OK**.

Password Protecting Global Settings

(Tools > Global Settings > Security)

CCH ProSystem *fx* Fixed Assets prompts users for a password when they attempt to edit Global Settings or copy them from an alternate location. Do the following to password protect Global Setting configurations:

1. To display the *Secure Global Data* dialog, do one of the following:
    - Select **Tools > Global Settings > Security**.
    - Click **Global Settings Menu** and select **Security**.
2. Enter a password in the *New password* field.
3. Reenter the password in the *Verify* field.
4. Click **OK**.

Editing the Global Settings Password

(Tools > Global Settings > Security)

To change the Global Settings password, do the following:

1. To display the *Secure Global Data* dialog, do one of the following:
    - Select **Tools > Global Settings > Security**.
    - Click **Global Settings Menu** and select **Security**.
2. Enter the current password in the *Old Password* field.
3. Enter a password in the *New password* field.
4. Enter the same password in the *Verify* field.
5. Click **OK**.

Disabling Password Protection

1. Enter the current password in the *Old password* field.

2. Leave the *New password* and *Verify* fields blank and click **OK**.

3. Click **OK** to accept your changes and close the confirmation dialog.

Configuring Global Setting Update Options

(Tools > Preferences)

For instructions on all of the selections on the *Preferences* dialog, see *Setting Preferences* on page 21.

1. To display the *Preferences* dialog, do one of the following:

   ▪ Select **Tools > Preferences**.

   ▪ Click **Preferences** on the toolbar.

2. Select one of the following from the *When to use updates to Global Settings* section:

   ▪ **Always apply updates**. Changes to Global Settings are applied to client files once the update process is completed.

   ▪ **Prompt to apply updates**. Gives users the option of applying an updated Global Setting when opening a client file.

   ▪ **Only when global settings are changed in Client Properties**. Updated Global Settings are only applied to a client file when selected in Client Properties.

3. Click **OK** to save your selections and exit this dialog.

MANAGING CLIENTS

This chapter explains how to create client files, edit their properties, password protect a file, and delete client data.

If you are a licensed user of CCH ProSystem *fx* Tax or CCH Global *fx* Tax, you will learn how to create and link a CCH ProSystem *fx* Fixed Assets client file to its corresponding CCH ProSystem *fx* Tax or CCH Global *fx* Tax return. This interface allows you to transfer client profile information in a tax return and fixed assets data.

Creating a New Client

- Create a New Client linking to a CCH ProSystem *fx* Tax or CCH Global *fx* Tax Client.

   Use the following procedure to create a new CCH ProSystem *fx* Fixed Assets client from CCH ProSystem *fx* Tax or CCH Global *fx* Tax and enter basic client data:

   a. Do one of the following to display the *Client Properties* dialog:

   - Select **File > New**.
   - Press **Ctrl + N**.
   - Click **New Client** on the toolbar.

The *Client Properties* dialog displays.

b. Select the client type from the list in the *Client type* section.

c. Click **Select CCH ProSystem fx Client**.

d. Choose the location of the Tax version to be used for retrieving client data: Local, Network, Laptop, or Internet.

   ![note icon] **Notes**:

   ▪ Select **Internet** to import from CCH Global *fx* Tax. You are required to enter your CCH Global *fx* Tax user ID to link to a CCH Global *fx* Tax client.

   ▪ You may be required to enter your CCH ProSystem *fx* Tax user ID if sign-on has been activated in Office Manager.

e. The *Select CCH ProSystem fx Tax Client* dialog displays.

   Use one of the following to select a client:

   ▪ Choose **Client ID** or **Client name**. Enter a full or partial ID or name and click **OK**.

   ▪ Use the drop-down lists in the *Select client by* section to create a filtered list from which you can choose the desired client and click **OK**.

   ![note icon] **Note**: If you are importing from a CCH Global *fx* Tax client, the *Select CCH ProSystem fx Tax Client* dialog has additional drop-down lists to create a filtered client list using the tax year and office account criteria.

f. If more than one client matches your filter criteria or you have entered a partial name or client ID, the *Applicable Clients* dialog displays the matches. Highlight the applicable client and click **OK**.

The client's profile data populates the *Basic Information* and *Client Detail* tabs.

Note: When client data is changed in CCH ProSystem *fx* Tax, CCH Global *fx* Tax, Client Manager, or CCH® ProSystem *fx*® Practice Management, the updates do not automatically transfer to CCH ProSystem *fx* Fixed Assets. If a client's tax data changes, it must be imported to CCH ProSystem *fx* Fixed Assets to ensure the information is accurate.

g. Edit the Current year *Beginning* and *Ending* dates as well as the *Entity start date,* if necessary. A warning displays when the system detects discrepancies with the entered dates and you attempt to leave the date fields.

Notes:

- Date changes do not display in the Fiscal Year list until you edit the fiscal year calendar or close and re-open the *Client Properties* dialog.
- If your entity start date precedes the current year, you can view and edit the interim fiscal years by clicking **Edit Calendar**. See *Editing Fiscal Year Dates* on page 65 for detailed instructions.
- Interim fiscal years are also referred to as NA years.

h. Click the **Client Detail** tab.

i. Enter the client information you require. No fields on this tab are mandatory.

j. To setup client's books options, see *Setting Up Books* on page 48.

k. Click the **File Locations** tab to set the default directory paths in which export and report print files will be stored.

l. Click **OK** to save your changes and exit this dialog.

m. You are prompted to import asset data from the linked return. Click **Yes** to begin the import process.

Note: You may click **No** to postpone importing data to a later time, see *Importing Assets for a Linked CCH ProSystem fx Tax or CCH Global fx Tax Client* on page 168. If you click **No**, skip the rest of the following steps.

n. One or more of the following circumstances may apply to your return:

- If multiple versions of the client's return exist, a list of applicable returns for the client displays. Select a return or a version of the return, and click **Import**.
- If no returns exist for the client, you are given the option to browse for and select an existing return.
- If you are importing data from a password-protected return, you are prompted to enter a password.

o. Click **OK** when the import has completed.

Notes:

- When importing User List secured returns, if your CCH ProSystem *fx* Tax or CCH Global *fx* Tax user ID is not on the list of users authorized to access this return, you receive an access denied message.
- If errors are encountered during the import process, you are given the option to view and print a report of the exceptions.

- Create a New Client not linked to Tax.

Use the following procedure to create a new CCH ProSystem *fx* Fixed Assets client and enter basic client data:

a. Choose one of the following to display the *Client Properties* dialog:

- Select **File > New**.
- Press **Ctrl + N**.
- Click **New Client** on the toolbar.

b. Select the client type from the list in the *Client type* section.

c. Enter the **Client ID** and **EIN/SSN**.

d. Edit the beginning and ending Current year dates as well as the Entity start date as necessary. A warning displays when the system detects discrepancies with the entered dates and you attempt to leave the date fields.

Notes:

- Date changes do not display in the Fiscal Year list until you edit the fiscal year calendar or close and re-open the *Client Properties* dialog.
- If your entity start date precedes the current year, you can view and edit the interim fiscal years by clicking **Edit Calendar**. See *Editing Fiscal Year Dates* on page 65.
- Interim fiscal years are referred to as NA years.

e. Click the **Client Detail** tab.

f. Enter the client information you require. No fields on this tab are mandatory.

g. To setup client's books options, see *Setting Up Books* on page 48.

h. Click the **File Locations** tab to set the default directory paths in which export and report print files will be stored.

i. Click **OK** to save your changes and exit this dialog.

Applying Global Settings to a File

(File > Client Properties > Global Settings or Global Settings - Reports)

To apply the values configured in global settings to a client file, do the following:

1. To display the *Client Properties* dialog, do one of the following:
   - Select **File > Client Properties**.
   - Click **Open Client Properties** on the toolbar.

2. Do one of the following:
   - Apply global settings for reports and report sets

     Click the *Global Settings - Reports* tab.
     - **Apply global settings for reports**. Select a single report from the *Reports* list.
     - **Apply global settings for report sets**. Select one or more report sets in the *Available set(s)* list and click the right-arrow to move them to the *Set (s) to apply* list. You can also drag or double-click an individual report set to move it between lists.
   - Apply all other global settings
     a. Click the **Global Settings** tab.
     b. Select the appropriate global settings from the drop-down lists.

c. Select one or more filters you want to add to the Asset List *Filter* field from the *Available filter(s)* list, and then click the right-arrow to move them to the *Filter(s) to apply* list. You can also drag or double-click an individual filter to move it between lists.

3. Click **OK** to save your changes and exit the *Client Properties* dialog.

Setting Up Books

(File > Client Properties > Book Setup)

CCH ProSystem *fx* Fixed Assets provides these basic books: Federal, Financial, AMT, ACE, and State. You can also define three additional books.

To set up books, do the following:

1. With the client file opened, do one of the following to display the *Client Properties* dialog:
    - Select **File > Client Properties**.
    - Click **Open Client Properties** on the toolbar.
2. Click the **Book Setup** tab.

3. Enter the information for each book, keeping the following in mind:

  ▪ You must activate a book by selecting **Yes** from the *Activate Book* drop-down list before you can configure the rest of the book's fields.

  ▪ States can be assigned to a book by choosing a state from the *Designate state for export* drop down. Assigning a state will reset the autoflow and Section 179 options to reflect the state law in effect for the current year. State AMT and ACE books can be designated in the Other1, Other 2 or Other 3 book by selecting in the Compute basis as box. For these options to be available, the state book must be active.

  ▪ The mid-quarter convention is independently calculated for each book. The mid-quarter indicator for prior year assets is stored for each asset as a detail item.

4. See the following section, *Book Setup and Section 179/Bonus Setup Default Settings* for detailed descriptions of the fields on the *Book Setup* tab.

5. When you have completed the *Book Setup*, click **OK** to save your changes and close this dialog.

  Note: If Global Settings for Books have been applied to this file, you are prompted to apply your changes to the Global Setting file. Click **Yes** to update the Global Setting file. Click **No** to save your changes without updating the Global Setting file.

Book Setup and Section 179/Bonus Setup Default Settings

The following chart identifies the books activated by default for each client type. The default settings are the same for all client types with the exception of Fiduciary for which Section 179 is not calculated.

Client Type	Federal	Financial	AMT	ACE	State
Corporation	Yes	Yes	Yes	Yes	Yes
S Corporation	Yes	Yes	Yes	No (field is read-only)	Yes
Partnership	Yes	Yes	Yes	No	Yes
Individual	Yes	No	Yes	No (field is read-only)	Yes
Fiduciary	Yes	No	Yes	No (field is read-only)	Yes
Exempt	Yes	No	No	No	Yes

The *Book Setup* tab includes several fields which are described in the sections that follow.

General Options

• **Activate book**. Determines whether a book will be available for data entry or calculation, or included in reports. The Federal book is set to *Yes* and cannot be changed.

- **Book description**. Displays depreciation book headings in Asset Detail and Reports.

Autoflow Options

- **Federal cost**. Fills the cost for all books based on federal cost. If a change is made to the Federal *Cost or Other Basis* field and a cost has not been entered for the book, you are given the choice to flow the change to other books.
- **Section 179**. AMT and ACE books always follow the Federal. If the state allows Section 179, State AMT, and State ACE follow the state.
- **Disaster Zone**. Enables/disables the autoflow of the Federal Accelerated Depreciation option (allowed by changes made by the Gulf Opportunity Zone Act of 2005 and the Kansas disaster area in Food, Conservation, and Energy Act of 2008) to specific books.
- **Cellulosic Biomass Ethanol**. Enables/disables the autoflow of the cellulosic biomass ethanol plant property allowance to other specific books.
- **Recycling**. Enables/disables the autoflow of the Federal Accelerated Depreciation option (allowed by changes made by the Emergency Economic Stabilization Act of 2008) to specific books.
- **Special Allowance 168(k) Options**.
  - **JCWA/JGTRRA**. Enables/disables the autoflow of the 2001-2004 30% and 50% Federal Accelerated Depreciation options (allowed by changes made by the Job Creation and Workers Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003) to specific books.
  - **50% Bonus**. Enables/disables the autoflow of the 2008-2017 50% Accelerated Depreciation option to specific books. Allowed by changes made by the Recovery Rebates and Economic Stimulus for the American People Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, the Job Creation Act of 2010-H.R. 4853, the American Taxpayer Relief Act of 2012, and the Protecting Americans from Tax Hikes Act of 2015.
  - **100% Bonus**. Enables/disables the autoflow of the 2010/2011 100% Accelerated Depreciation option (allowed by the Job Creation Act of 2010 - H.R. 4853) to specific books.
  - **40% Bonus**. Enables/disables the autoflow of the 2018 40% Accelerated Depreciation option to specific books. Allowed by the Protecting Americans from Tax Hikes Act of 2015.
  - **30% Bonus**. Enables/disables the autoflow of the 2019 30% Accelerated Depreciation option to specific books. Allowed by changes made by the Protecting Americans from Tax Hikes Act of 2015.

Calculation Options

- **Federal ITC basis adjustment**. If you select *Yes*, CCH ProSystem *fx* Fixed Assets makes the Federal basis reduction in the book. The adjustment is not available for the E&P book.

- **Compute basis as...** Causes the book to initially autoflow all amounts for a new asset from the selected book. The *Financial* field of the *Autoflow Section 179*, *Disaster Zone*, *Cellulosic Biomass Ethanol*, *Recycling*, and *Section 168 (k) Special Allowance Depreciation* options JCWA/JGTRRA, 50% Bonus, 100% Bonus, 40% Bonus, and 30% Bonus rows are set to *No* when *None* is selected from this option's *Financial* list.

State Export Option

Designate state for export. Each set of asset data must have a state identifier for export purposes. Your selection affects the status of the *Autoflow Section 179*, *Disaster Zone*, *Cellulosic Biomass Ethanol*, *Recycling*, and *Section 168 (k) Special Allowance Depreciation* options JCWA/JGTRRA, 50% Bonus, 100% Bonus, 40% Bonus, and 30% Bonus.

Additional Settings

- **Depreciate remaining basis in final year of the asset's life**. CCH ProSystem *fx* Fixed Assets calculates depreciation in the final year of an asset's life without regard to accumulated depreciation taken. If the remaining basis is more than the depreciation allowed in the final year, select this box to depreciate the total amount.

  Notes:
  - Selecting this box applies this rule to all assets, regardless of the type, method, life, or convention used, with the exception of luxury autos.
  - It also applies the entire remaining basis to current depreciation, regardless of the amount.

- **Use GAAP rules in the Financial book for Like-kind Exchanges**. CCH ProSystem *fx* Fixed Assets calculates a like-kind exchange to defer gain/loss on an asset until a later date if the property you are disposing is exchanged with a like property within a specified amount of time. Select this box to apply GAAP (Generally Accepted Accounting Principles) rules when you do not want to defer the gain/loss in the Financial book.

  Note: Selecting this box in the *Book Setup* tab of Client Properties, or in the *Book Setup* tab of the *Book Setup* dialog, applies this rule only to the active client. Selecting the box from the *Global Settings - Books* dialog applies the setting to all files to which the global setting is applied.

- **Mid-Quarter convention**. Applies to current year assets for all books that use an applicable MACRS method. Based on your entry, CCH ProSystem *fx* Fixed Assets automatically determines whether the mid-quarter convention applies and recalculates when necessary.

Elections

- **168(k) Elections**. Produces a statement with Form 4562 indicating the election not to claim additional first-year depreciation, allowable under IRC Sec. 168(k) for selected qualifying property classes.

Note: If selections are made in this dialog to change the bonus allowed on certain property classes, a message will be issued to confirm changes to asset detail.

- **1400L(b) Elections**. Produces a statement with Form 4562 indicating the election not to claim additional first-year depreciation, allowable under IRC Sec. 1400L(b) for selected qualifying property classes.
- **1400N(d) Elections**. Produces a statement with Form 4562 indicating the election not to claim additional first year depreciation, allowable under IRC Sec. 1400N(d) for selected qualifying property classes.

Section 179/Bonus Setup Defaults

The default settings are based on the tax year and the state selected.

Setting up Section 179/Bonus Data

(File > Client Properties > Sec. 179/Bonus Setup)

To establish Section 179 and bonus setup for all assets, do the following:

1. With the client file opened, do one of the following to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Click **Open Client Properties** on the toolbar.

2. Click the **Sec. 179/Bonus Setup** tab on the *Client Properties* dialog.

Client Properties								

Basic Information | Global Settings | Global Settings - Reports | Client Detail | Book Setup | **Sec. 179/Bonus Setup** | File Locations

Section 179	Federal	Financial	AMT	ACE	State	Other1	Other2	Other3
Maximum Section 179 Limit	500000.00	500000.00	500000.00	500000.00	500000.00			
Property placed in service*								
Business income limitation	500000.00	500000.00	500000.00	500000.00	500000.00			
Carryover from prior year								
Pass-through from 1065								
Pass-through from 1120S								
Use bonus depreciation rules	N/A	N/A	N/A	N/A	No	No	No	No
Qualified Real Property	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes

☐ Treat Section 179 recapture on dispositions as depreciation
☐ Principal business activity is related to farming

*Overrides system computed amount   Reset Defaults

OK   Cancel   Help

3. Enter or change the following fields for each book:

- **Maximum Section 179 limit**. You can specify the limit to be used for the year that is currently computed on a federal and state basis. This amount would override the system default amount, which will be the maximum for the tax year.

  📝 **Note**: The limits are adjusted for State, Other1, Other2, and Other3 books based on the State selected for that book on the *Book Setup* tab.

- **Property placed in service**. If you enter an amount, the amount shows as an override.
- **Business income limitation**. This amount is used for preparation of Form 4562 and other summary calculations. Federal and state amounts are available. Fixed Assets initially fills the fields with the same amount as the maximum Section 179 limit. This amount is not exported to the tax return unless you are exporting Totals only data.
- **Carryover from prior year**. This amount is computed and rolled over each year based on the taxable income limitation provided. This field is only available for books that allow a carryover in the tax system, including Federal, Financial, and State.
- **Pass-through (from 1065 & 1120S)**. Enter the Section 179 amounts being passed through.

- **Use bonus depreciation rules**. This applies to a Federal C Corporation with a California S Corporation that does not currently allow section 179. All amounts entered as Section 179/Bonus that would normally be taken as Section 179 are computed as bonus.

- **Qualified Real Property**. Enables or disables the autoflow of Section 179 elected for qualified real property (allowed by the Small Business Jobs Act of 2010 - H.R. 5297 and made permanent by the Protecting Americans from Tax Hikes Act of 2015) to specific books. The default is based on the state selected for that book on the *Book Setup* tab.

- **Treat Section 179 recapture on dispositions as depreciation**. Select this box to include all section 179 recapture on property disposed of during the year as part of accumulated depreciation in determining gain or loss. This option is only available for Partnerships and S Corporations.

- **Principal business activity is related to farming**. For Corporations, S Corporations, and Partnerships where the client file principal business activity is related to farming, when Wisconsin is selected as the state for export, the increased Sec. 179 limits for farming will be applied. This only applies to years, 2008 - 2009.

4. Click **OK** to save your changes and close this dialog.

Note: Click **Reset Defaults** to restore either the maximum Section 179 dollar limits or the Section 179 default settings for all books.

Editing a Client's Book Setup

(File > Client Properties)

Use the following procedure to modify a client's book setup. You can also modify client books by selecting **Tools > Books**.

1. Open a client file.

2. To display the *Client Properties* dialog, do one of the following:

   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.

3. Select the **Book Setup or Sec. 179/Bonus Setup** tab.

4. Make the necessary changes.

5. Click **OK** to save your changes and exit the dialog.

Resetting Book Defaults

(File > Client Properties > Sec. 179/Bonus Setup)

The *Reset Defaults* dialog provides options to reset Section 179 default values and/or recalculate the amounts of property placed in service.

1. Choose one of the following to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.
2. Select the **Sec. 179/Bonus Setup** tab.
3. Click **Reset Defaults**.
4. Select one of the following from the *Reset Book Defaults* section:
   - **Section 179 maximum amounts only**. Restores the maximum Section 179 dollar limits for all books only.
   - **All book settings**. Restores the initial default values for all book settings. Restores the initial Section 179 defaults for all books.
   - **None**. Retains the current values and settings for all books.
5. Check **Reset calculated property placed in service** to force a recalculation of the total cost of Section 179 property placed in service in the current year, the total cost of property used in calculating the current year mid-quarter convention, and the amount of Section 179 used in the current year.
6. Click **OK** to close the dialog.

Copying Books

(Tools > Copy Books)

The Copy Book feature allows you to copy from and to selected books.

Notes:

- Copying books is only available if the current year is not locked.
- Any non-federal book with an autoflow option set to **Yes** will automatically update to match the new Federal entries.

Use the following procedure to copy books:

1. Choose one of the following ways to display the *Copy Book* Dialog:
   - Select **Tools > Copy Books**.
   - Click **Copy Books** on the toolbar.
   - Right-click an asset from the Asset List and select **Copy Books** from the menu.

2. Select a book in the *From* drop-down list. The *From* field includes only the books that are active in the current year.

3. Select a book in the *To* drop-down list. The *To* field includes all available books except AMT and ACE books.

4. The *Book Description* field is blank and disabled until one of the *Other* books are selected in the *To* field.

   If the selected book is active, the description matches the description from the *Client Properties* dialog. If the selected book is inactive, the description may be *State AMT*, *State ACE*, *E&P*, *Other1*, *Other2*, or *Other3*, depending on the book that is selected in the *From* field and the compute basis for that book.

   Notes:
   - The default description may be edited. The description is limited to ten characters.
   - AMT and ACE books are only available in the **Copy Books** *From* field if in the *To* field, the book is Federal, AMT or ACE.

6. Click **OK**.

   If the book specified in the *To* field is inactive, the book setup information is copied. When copying information to a book that is already active, a message displays with the following options:
   - Click **Yes** to overwrite the active book information.
   - Click **No** to ignore the copy command and return to the *Copy Book* dialog.

Section 179 Business Rule

When copying information into an active book with a differing state designated in the book setup or entries on the Section 179 tab, and there are differences in allowed Section 179, other differences could result, such as the following:

- Convention
- Section 179 differences
- Autoflow of Section 179, Disaster Zone, Cellulosic Biomass Ethanol, Recycling, and all Section 168(k) Special Depreciation Allowance options
- ITC
- Prior and current depreciation

Disaster Zone Clean up Business Rule

When copying information into an active book, differences in state rules regarding Disaster Zone clean up deduction could result in differences in areas such as the following:

- Convention differences
- Section 179 differences
- Autoflow of Section 179, Disaster Zone, Cellulosic Biomass Ethanol, Recycling, and all Section 168(k) Special Allowance Depreciation options
- Depreciation differences
- ITC differences

Note: When copying to the Federal book, books with autoflow designated for cost, Section 179, Disaster Zone, and Section 168(k) Special Allowance Depreciation options autoflow automatically when appropriate.

Cellulosic Biomass Ethanol Business Rule

When copying information into an active book, differences in state rules regarding allowed cellulosic biomass ethanol plant property depreciation could result in differences in areas such as the following:

- Depreciation differences
- ITC differences

Recycling Business Rule

When copying information into an active book, differences in state rules regarding allowed Recycling depreciation could result in differences in areas such as the following:

- Depreciation differences
- ITC differences

Section 168k and Disaster Zone Special Allowance Depreciation Differences Business Rule

When copying information into an active book, differences in state rules regarding allowed Disaster Zone, and Section 168(k) Special Allowance Depreciation options could result in differences in areas such as the following:

- Depreciation differences
- ITC differences

Specifying File Locations for Export and Report Print Files

(File > Client Properties > File Locations)

You can specify the default location to store export files and reports printed to a file.

1. Choose one of the following to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.
2. Select the **File Locations** tab.
3. Edit the default directory paths to use when printing to a file or exporting files. Do one of the following:
   - Click **OK** to accept the default drive and directories for the printed report and exported files.
   - Click **Browse** and choose a different drive and directory, and then click **OK**.

📝 **Notes**:

- The default path for print files can be modified at the *Print* dialog.
- You may only enter an existing directory path. CCH ProSystem *fx* Fixed Assets does not create a new directory based on your entry and does not provide the option to create a new directory.
- The program default directory paths are based on the locations of the UserData and Reports directories established during the installation of CCH ProSystem *fx* Fixed Assets.

Password Protecting a Client's File

(Tools > Security)

You can secure client data in CCH ProSystem *fx* Fixed Assets with a password. When the security option is activated for a client, the client file cannot be opened without entering the correct password.

📝 **Notes**:

- A CCH ProSystem *fx* Fixed Assets password is independent of CCH ProSystem *fx* Tax and CCH Global *fx* Tax. Changing the password in CCH ProSystem *fx* Tax and CCH Global *fx* Tax does not affect the password in CCH ProSystem *fx* Fixed Assets. Changing the password in CCH ProSystem *fx* Fixed Assets does not affect the password in Tax Preparation.
- You are prompted to enter a password when importing CCH ProSystem *fx* Tax password-protected returns. Client files created from these returns retain the same password in Fixed Assets.

To secure client data, use the following procedure:

1. To display the *Secure Client* dialog, do one of the following:
   - Select **Tools > Security**.
   - Click **Configure Security** on the toolbar.
2. Check the **Secure this client** box.

   Note: The *Password* and *Verify* fields are disabled until the **Secure this Client** box is checked.

3. Enter an alphanumeric password (12 characters maximum) in the *Password* field.
4. Confirm the password by entering it in the *Verify* field.
5. Click **OK** to close the dialog.

   Note: When you click **OK** and the contents of the *Password* and *Verify* fields do not match, you are returned to the *Secure Client* dialog to make corrections.

Saving the Client File

(File > Save) or (File > Save As)

If this is a new file, the *Save* dialog displays and you can make changes to the file location and file name. If the file has been saved before, you can use *File > Save As* to change the file location or name.

By default, all files are saved in the CCH ProSystem *fx* Fixed Assets User Data directory, which is created during the installation. The location of the directory is ?:\FixedAst\UserData (where ? represents the drive where CCH ProSystem *fx* Fixed Assets is installed).

Fixed Asset files are saved with the extension .FAC.

1. To save the client file, choose one of the following:
   - Select **File > Save**.
   - Select **File > Save As**.
   - Press **Ctrl + S**.
   - Click **Save Client** on the toolbar.
2. On the *Save* or *Save As* dialog, you can accept the defaults or change any of the following:
   - **File Display**. Select **Show file names only** to decrease the time it takes to display a list of file names. This is suggested for a network installation with a large client database.
   - **File Name**. Accept the default or enter a different name. CCH ProSystem *fx* Fixed Assets supports long file names. If you use a long file name and your system does not support them, a Windows® error displays when you try to save.
   - **Change Location**. A browser window opens so you can select another directory location to store the client file.

You can change the way the Client File list displays the files as follows:

- **Sorting the Client File list**. You can sort the list by clicking a column header. A red or blue arrow displays on the selected column header. A red down-arrow displays when the list is sorted in descending order. A blue up-arrow displays when the list is sorted in ascending order. Click on the column header to toggle between ascending and descending orders.

- **Resizing the Columns**. The list columns are re-sizable. To resize the columns, point the mouse arrow to either the left or right side of a column header. The mouse pointer will change from a single arrow to a double-arrow pointer. Hold the mouse button down and drag the pointer left or right to resize the column.

3. On the *Save* or *Save As* dialog, click **Save** to save the client file, or click **Cancel** to exit without saving.

Opening a Client File

(File > Open)

Use the following steps to open an existing client file. If you have not created a client, see *Creating a New Client* on page 43 for instructions.

1. Choose one of the following to display the *Open Client* dialog:

    - Select **File > Open**.
    - Press **Ctrl + O**.
    - Click **Open Client** on the toolbar.

    The codes that represent the product types are as follows:

    I   Individual

    P   Partnership

    C   Corporation

    S   S Corporation

    F   Fiduciary

    X   Exempt Organization

    You can change the display of the file list. These settings are saved when you exit the *Open Client* dialog. When you reopen the dialog, it will appear as it did when it was closed. The *Show file names only* and column sorting selections are also applied to the *Save*, *Save As*, and *Select Source file for Asset Transfer* dialogs.

    - **Sort the list**. You can sort the list by clicking a column header. A red or blue arrow displays on the selected column header. A red down-arrow displays when the list is sorted in descending order. A blue up-arrow displays when the list is sorted in ascending order. Click on the column header to toggle between ascending and descending orders.

- **Resize the columns**. You can resize columns by pointing the mouse arrow to either the left or right side of a column header. The mouse pointer will change from a single arrow to a double-arrow pointer. Hold the mouse button down and drag the pointer left or right to resize the column.

- **Resize the window**. You can use the maximize, restore down, and resizing handles to resize the window.

- **Show file names only**. Selecting *Show file names only* displays file names only when selected. For a network installation with a large client database, selecting this option decreases the time required to display a list of file names.

2. Highlight the client file. If the client is not listed, click **Change Location** to browse for a client file in a different directory.

3. Click **Show History** if you want to display the file history.

4. Click **OK** to open the client file.

Printing the Client List

You can print the client list that displays in the *Open Client* dialog to a printer, a PDF file, or a text file.

Note: The client list can also be printed from the *Select Source File for Asset Copy* and *Select Source File for Asset Transfer* dialogs that are displayed from the File menu.

Printing a Client List to a Printer

From the *Open Client* dialog, do the following:

1. Click **Print Client List**. The *Print Setup* dialog displays.

2. The default printer or the printer that was last entered is selected. Accept this printer or do one of the following:

   - Select another printer from the *Name* list.
   - Click **Network** to browse to a shared network printer.
   - Click **Reset to Default** to change the printer name to the default printer.

3. To change printer settings, you can do the following:

   - Click **Properties** to change settings for the selected printer. The Properties features vary depending on the type of printer selected.
   - Select a different paper size, source, and orientation.

4. Click **OK** to display the *Print* dialog.

5. Change the print range and number of copies, if needed.

6. The *Collate Copies* option is selected by default. Clear this option if the copies should not be collated.

7. Click **OK** to print the client list and return to the *Open Client* dialog.

Printing a Client List to a PDF or Text File

From the *Open Client* dialog, do the following:

1. Choose a print option.

    ▪ Click **Print Client List to PDF File** to create a PDF file of the current client list.

    ▪ Click **Print Client List to Text File** to create a TXT file of the current client list.

2. On the *Save As* dialog, select a location and enter a name for the PDF or TXT file.

3. Click **Save**.

Editing Client Properties

(File > Client Properties)

1. To edit client properties, choose an option to display the *Client Properties* dialog:

    ▪ Select **File > Client Properties**.

    ▪ Press **Ctrl + R**.

    ▪ Click **Open Client Properties** on the toolbar.

    ▪ Right-click an asset and select **Client Properties** from the menu.

2. Edit information as required on any of the following tabs: *Basic Information*, *Global Settings*, *Global Settings - Reports*, *Client Detail*, *Book Setup*, *Sec. 179/Bonus Setup*, and *File Locations*.

    Note: Changing some field values causes CCH ProSystem *fx* Fixed Assets to recalculate asset details.

3. Click **OK** to accept changes.

4. Save the client file.

    Note: If Global Settings for Books have been applied to this file, you are prompted to apply any changes made on the *Book Setup* tab to the Global Setting file. Click **Yes** to update the Global Setting file. Click **No** to save your changes without updating the Global Setting file.

Changing the Client Type

CCH ProSystem *fx* Fixed Assets provides a way to change a data file's client type. The following section provides procedures for changing the client type and describes issues that might occur during the process.

Note: When the client type is changed in a year beyond the initial year of the file, you are given the option to change the client type for the current and future years only, or to change the client type for the current, prior, and future years.

Change a client type using this procedure:

1. To change a client type, choose one of the following to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.
2. Select one of the client types listed in the *Client type* section.
3. Click **Yes** at the confirmation message.
4. Do one of the following:
   - For an entity with only one year of data, unless you need to re-link assets, the process of changing a client type is now complete. Continue to the next step.
   - For an entity with multiple years of data, a second confirmation dialog displays:
     - Click **Yes** to apply the selected client type to current and future years only.
     - Click **No** to apply the selected client type to prior, current, and future years.

Notes:
- The above options are only available for unlocked years.
- Only prior years of the same client type that immediately precede the current year in consecutive order are changed.
- If all the assets in the client file use the same default tax link used by the selected client type, the change client type process is complete.

5. If a tax link does not exist in the new client type, you are prompted to re-link its associated assets to a different link or entity.
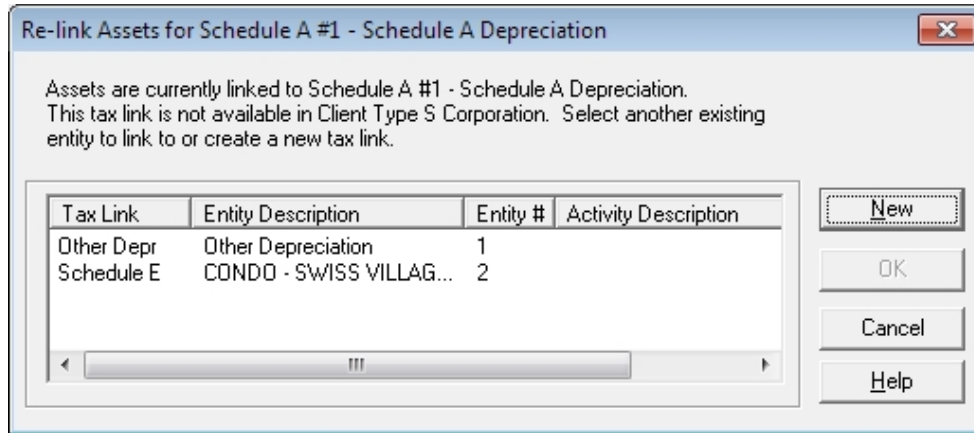
Do one of the following to link associated assets:

- To assign assets to the new client type's existing links, select an entity/activity from the *Re-link* dialog and click **OK**.

- To create a new tax link, click **New** on the *Re-link* dialog and add entities as needed. The *Tax Schedule Link List* dialog displays. See *Customizing Tax Schedule Links* on page 81 for instruction on adding new Tax links.

6. When you have completed adding links, click **OK**. You are returned to the *Re-link* dialog, which displays the customized links. Select an entity/activity and click **OK**.

   Note: The *Re-link Assets* dialog displays for each entity/activity that does not exist in the new client type.

7. Once assets associated with entities/activities in the previous client type have been re-linked, you are returned to the *Client Properties* dialog.

8. Click **OK** to save your changes.

Notes:

- Section 179 is not allowed for the Fiduciary client type. If Section 179 has been taken in any of the years to which this client type change will be applied, you are prompted to delete all information related to Section 179. If you decline to delete this information, the change client type process is terminated.

- When the change client type process is completed, the format of the EIN/SSN number is changed as needed.

- Once the client type has changed, the appropriate changes are made to the Book Setup and Section 179/Bonus Setup. To compare the new settings to the default settings for the client type, see *Book Setup and Section 179/Bonus Setup Default Settings* on page 49 for details.

Editing Fiscal Year Dates

You can edit, add, or delete full or short fiscal year dates in CCH ProSystem *fx* Fixed Assets using the Calendar Editor.

⚠ **Points to Remember**:

- You can edit current year dates during the initial year until that year is closed. You cannot edit dates for a year that has been locked.
- A status of *Yes* displays in the *Calendar Editor's Short Year* column for any fiscal year period that is fewer than 12 months.
- A future fiscal year may be entered in the calendar as long as it meets the date. The entry immediately following the current year will be used as the new fiscal year when rolling forward. Any future entries will also be used in projections.
- You cannot delete dates for the current year or any locked prior years.

Editing a Year

(File > Client Properties > Basic Information)

1. To edit year properties, choose one of the following to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.
2. Click **Edit Calendar** to display the *Edit Calendar* dialog.
3. Highlight a year.
4. Click **Edit** to change the dates of the selected year.

   📝 **Note**: To cancel the edit before applying, click **Clear**.

5. Click **Apply** to update the year's information.
6. Click **OK** to save your changes and close this dialog.

Adding a Year

(File > Client Properties > Basic Information)

1. To add a year, choose one of the following methods to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.
2. Click **Edit Calendar**.

3. Click **Add**. The edit fields will become active.

4. Enter the appropriate dates.

   📝 **Note**: To cancel the edit before applying, click **Clear**.

5. If you are adding a short year, select a convention from the *Short Year MACRS* drop-down list to include or exclude the partial months.

   📝 **Note**: This field is not available for short years with an ending date prior to 06/30/1986.

6. Click **Apply** to insert the new year.

7. Click **OK** to save your changes and close this dialog.

Deleting a Year

(File > Client Properties > Basic Information)

You cannot delete dates for the current year or any locked prior years.

1. To delete a year, choose one of the following methods to display the *Client Properties* dialog:
   - Select **File > Client Properties**.
   - Press **Ctrl + R**.
   - Click **Open Client Properties** on the toolbar.
   - Right-click an asset and select **Client Properties** from the menu.

2. Click **Edit Calendar**.

3. Select a year to be removed and click **Delete**.

4. Click **OK** to save your changes and close this dialog.

Closing a Fiscal Year

(Tools > Close Year End)

The Close Year End menu option is only available from the Asset List view.

💡 **Tip**: We recommend backing up your client's file before beginning this procedure. See *Backing Up Client Data Files* on page 71 for instructions.

Use the following procedure for rolling a year forward.

1. To display the *Close Year End* dialog, do one of the following:
   - Select **Tools > Close Year End**.
   - Click **Close Year End** on the toolbar.

2. Edit the fiscal year **Ending** date of the next period, if necessary.

   📝 **Note**: You are prompted to adjust prior year end custom reporting periods to the current year.

3. Click **OK** on the *Close Year End* dialog.

4. You are prompted to review your Book Setup and Sec.179/Bonus Setup settings. Click **OK** to display the *Book Setup* dialog.

5. Make any necessary changes to your books and click **OK**.

Locking/Unlocking Fiscal Year Calculations

(Tools > Lock Calculation)

⚠️ **Points to Remember**:

- All data for a locked year remains unchanged until the year is unlocked.

- An asset can be edited in a locked year by selecting **Assets > Amend**. See *Amending Assets in a Locked Fiscal Year* below for more information.

- Locking must occur in successive years. For example, you cannot lock years one and three of a business and not lock year two.

- Unlocking a year causes all assets for the unlocked year to be recalculated.

- The following options are disabled for a locked year:

    - Copying or transferring assets

    - Adding, duplicating, deleting, or splitting assets

    - Removing dispositions

    - Creating or deleting group dispositions

    - Replacing data using the Edit/Find and Replace option

    - Applying book Global Settings

    - Removing overrides

    - Copying books

    - Using Undo Split to combine split assets into the single originating asset

To prevent (lock) or allow (unlock) the calculation of asset data in a fiscal year, do the following:

1. To display *Lock/Unlock Calculations* dialog, do one of the following:

    - Select **Tools > Lock Calculation**.

    - Click **Lock/Unlock Calculation** on the toolbar.

2. Select a year and click **Lock** or **Unlock**.

3. Click **OK**.

Amending Assets in a Locked Fiscal Year

⚠️ **Warning!** Amending asset data can cause the depreciation to recalculate in the amended year and all subsequent tax years.

Note: When you roll back to the first year an asset was acquired, all fields in the *Depreciation Detail* grid can be edited. If you roll back to a year between an asset's first and current year, you are only able to amend the Cost or Other Basis, Method, Life, and Business Use Percent values. You can also override depreciation values in interim years.

To amend asset data in a year that has been closed and locked, do the following:

1. Select **Tools > Reverse Closed Year** or click **Reverse Closed Year** on the toolbar. Repeat this step until you roll back to the year containing the data you want to update.

   Note: The fiscal year dates display at the top of the Fixed Asset window.

2. On the *Asset list* tab, highlight the asset you want to amend and click the **Detail** tab.
3. Select **Assets > Amend**. A confirmation message displays. Click **Yes**.
4. Make the required changes in the *Depreciation Detail* grid.

   Note: When either Cost, Method, Life, or Convention are modified in a year that had previously been closed, a message will display asking if you would like to apply the data to future years. If you choose *Yes*, the new entries will be carried forward. If you choose *No*, future years will retain the entries as they were when you reversed the year.

5. When you have completed amending the depreciation data, click the **Asset List** tab. The amended depreciation detail is saved and the asset locked.

Reversing a Closed Year

(Tools > Reverse Closed Year)

Points to Remember:

- We recommend that you back up your data before you reverse a closed year. If the previous year was locked, you are not prompted to backup your client data. See *Backing Up Client Data Files* on page 71 for additional information.
- When reversing to an unlocked closed year, assets resulting from a partial disposition in the current year display as two separate assets in the prior year; that is, the original asset and disposed portion. The original asset contains the basic information and the total depreciation detail for itself and the portion to be disposed. In the prior year, the disposed portion contains only the basic asset information. It does not contain any depreciation detail and is unavailable for editing.
- When re-opening an unlocked closed year, assets created by a like-kind exchange in the following year display on the Asset List in the prior year. The disposed asset displays as an asset sold in the future year. Only basic information displays in the top pane of the *Detail* tab for the Continuation and New assets created by the exchange. This information is not available for editing.

1. Select **Tools > Reverse Closed Year** or click **Reverse Closed Year** on the toolbar.
2. Click **Yes** on the confirmation dialog.

Deleting a Client File

You can delete a client file using the standard Windows® methods for deleting files with Windows® Explorer or My Computer. The data files are located in the CCH ProSystem *fx* Fixed Assets User Data directory created during the installation of CCH ProSystem *fx* Fixed Assets. Client files have an FAC extension.

Overview of Client File Management

This section covers the file management options that are provided with CCH ProSystem *fx* Fixed Assets. The application provides the following file management options:

- **Backup/Restore**. Create archives of client data on your network, local drive, or any removable storage device (for example, ZIP disk, CD-RW disk, or USB drive). Backup files can be easily restored when needed.
- **Check network files in/out**. Client files can be checked out to a storage device to be worked on in another office location or by a user without network access.
- **Remote check in/out**. Allow a user with a local installation and network access to check data files out from the network data source to work on while away from the office.

File management menu commands are described in the sections that follow. To backup and restore data, check-in and check-out files, and set up the location of where files are stored, use the *Tools > File Management* commands, or the *File Management Menu* button on the toolbar.

CCH ProSystem *fx* Fixed Assets Files

The following table provides file extensions and brief descriptions of client data and other file types that are generated when implementing file management procedures (such as backing up and restoring data files, and checking files in or out).

File Type	Extension	Description
Work	*.FAC	Active client data file.
Backup	*.FAB	Client backup file.
Archive	*.FAA	This file is generated when a file is checked out. It resides in the CCH ProSystem *fx* Fixed Assets' client data directory and can only be opened in read-only mode. It is replaced by the word file type when the client file is checked back in.

File Type	Extension	Description
History Link	*.LNK	This file is created when a user selects to delete a client file during a backup. It contains backup detail for that client. It displays the file location, backup and modification detail, and processing history for that client.

Setting Up File Management Default Settings

(Tools > File Management > Setup)

To set up file management default settings, do the following:

Note: Default settings must be set up before you can access any of the File Management options.

1. To display the *File Management Setup* dialog, do one of the following:

   ▪ Select **Tools > File Management > Setup**.

   ▪ Click **File Management Menu** and select **Setup**.

2. Edit the contents of the *User ID* field if needed.

   Note: If the *User ID* field is blank, it is recommended that you enter an ID. This information is used for tracking purposes in the file history maintained for client files.

3. In the *File Backup and Restore Paths* section, enter a directory path for backup data in the *Backup to* field, or click **Browse** to select a different location.

4. You can accept or edit the contents of the *Restore to* field, or click **Browse** to select a different location.

   For network users, the default for both the *Restore to* and *Check-in to* fields is the Fixed Assets data directory, ?:\FixedAst\UserData (where ? represents the drive letter).

5. In the *File Check-in and Check-out Paths* section, accept the default location, enter a directory path in the *Check-in to* field, or click **Browse** to select a different location.

6. You can accept or edit the contents of the *Check-out to* field, or click **Browse** to select a different location.

7. Click **OK**.

Backing Up Client Data Files

(Tools > File Management > Backup)

Note: The backup utility cannot save data for one file over multiple floppy disks. When backing up large files, it is recommended you use a large capacity storage device (such as a Hard Drive, ZIP disk, CD-RW disk, or USB drive).

To backup client data files, do the following:

1. To display the *File Management - Backup* dialog, do one of the following:
   - Select **Tools > File Management > Backup**.
   - Click **File Management Menu** and select **Backup**.
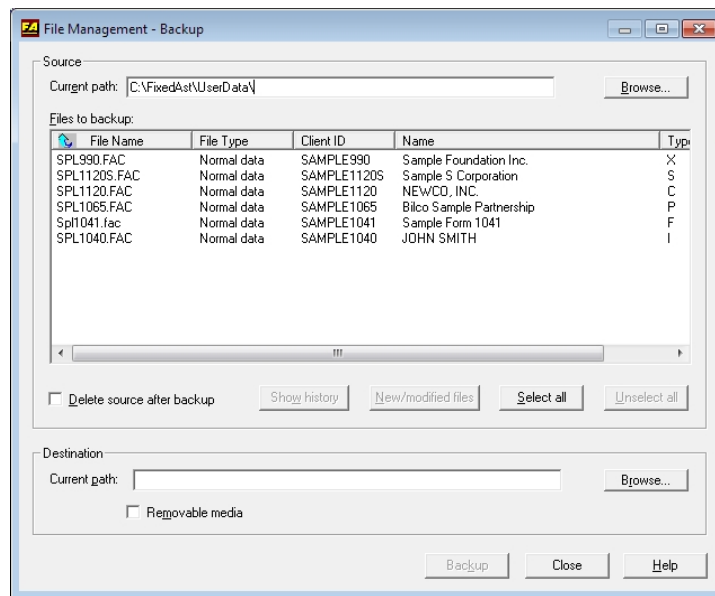
2. In the **Source** section, the *Current path* field shows the default client file directory. Edit this information or click **Browse**.

3. To select one or more files from the *Files to backup* list, do one of the following:

   - Select an individual file.

   - Click the first file, hold down the **Shift** key, and click the last file to select adjacent items.

   - Click the first file, hold down the **Ctrl** key, and click additional files to select nonadjacent items. Do not release the **Ctrl** key until all the files are selected.

   - Click **New/Modified files** to select all new or recently modified files.

   - Click **Select all** to highlight all listed files.

4. Check the **Delete source after backup** box if you want to delete selected files from the source directory during the backup process.

5. In the *Destination* section, enter the location of the backup target folder in the *Current path* field or click **Browse**.

6. If you are backing up to a removable media device, check the **Removable media** box. This allows you to enter descriptive detail (for example, type of storage device or disk label) during the backup process.

7. Click **Backup**.

8. If the *Removable media* box has been checked, the *Removable Media Label* dialog displays. Enter backup detail and click **OK**.

9. Click **Close**.

Note: When a file is deleted during the backup process, a History Link file (.lnk) is created. The History Link file contains the following descriptive details:

   - Date of the last modifications
   - User who backed up the file
   - Date and location of the backup

To view the History Link file detail, select **Tools > File Management > Backup**, highlight the file, and click **Show History**.

Restoring Backup Data Files

(Tools > File Management > Restore)

To restore backup files, do the following:

1. To display the *File Management - Restore* dialog, do one of the following:

   - Select **Tools > File Management > Restore**.
   - Click **File Management Menu** and select **Restore**.

2. In the *Source* section, the *Current path* field shows the backup directory. Edit this information or click **Browse**.

3. Select a file from the *Files to restore* list. You can also do the following:

   ◆ Select an individual file.

   ◆ Click the first file, hold down the **Shift** key, and click the last file to select consecutive items.

   ◆ Click the first file, hold down the **Ctrl** key, and click additional files to select nonconsecutive items. Do not release the **Ctrl** key until all the files are selected.

   ◆ Click **Select all** to highlight all listed files.

   ◆ Click **Show history** to view back-up details of a selected file.

4. In the *Restore destination* section, edit the information in the *Current path* field if needed or click **Browse**.

5. Click **Restore**.

6. Click **Close** to exit the dialog.

Overview of Checking Files In/Out

One of the file management features of CCH ProSystem *fx* Fixed Assets is the Check-in/Check-out option which allows you to copy data files to any location or storage device. It also lets you work on client files away from your office or on a non-networked computer (for example, your laptop).

📒 **Notes**:

- Check-in/Check-out can be used by networked or standalone users of CCH ProSystem *fx* Fixed Assets.

- You can edit the contents of a checked out file by saving it under a different name using the **File > Save As** menu option.

- You can abandon a checked-out file, allowing you to retrieve the file without retaining any changes made to it. See *Abandoning a Checked-Out File* on page 76 for more information.

Network Installation

In a network environment, the Check-in/Check-out utility can be used to copy data files to any location or storage device (such as a ZIP disk, CD-RW disk, or USB drive). This feature is useful if you need to edit files at a different office location.

Remote Check In/Out

This feature allows remote users (such as laptop users with a standalone install) to check data out from a network install to their local installation. Once their work is completed, they can check the updated files back in to the network install.

Locking Files

When a file is checked out from the network, it is replaced by an Archive file (*.FAA) which contains the client's data. It can only be opened in read-only mode.

When a client file is checked in, the Archive file that was created during the check out process is replaced by the work file (.FAC) and other users can edit it.

Checking Files out from the Network to a Local Folder

(Tools > File Management > Check-out)

To check files out to a local folder, do the following:

1. To display the *File Management - Check-out* dialog, do one of the following:
   - Select **Tools > File Management > Check-out**.
   - Click **File Management Menu** and select **Check-out**.
2. In the *Source* section, the *Current path* field shows the default client file directory. Edit this information or click **Browse**.
3. Do one of the following to select one or more files from the *Files to check-out* list.
   - Select an individual file.
   - Click the first file, hold down the **Shift** key, and click the last file to select consecutive items.
   - Click the first file, hold down the **Ctrl** key, and click additional files to select nonconsecutive items. Do not release the **Ctrl** key until all the files are selected.
   - Click **Select all** to highlight all listed files.
   - Click **Show history** to view a selected file's backup details.
4. In the *Destination work folder* section, edit the information in the *Current path* field or **Browse** to the folder.
5. Click **Check-out**. The selected file or files are now checked out. Archive files (.FAA) are created in the CCH ProSystem *fx* Fixed Assets data directory.

Checking Files in to a Network from a Local Folder

(Tools > File Management > Check-in)

To check a file in to a network installation of CCH ProSystem *fx* Fixed Assets, do the following:

1. To display the *File Management - Check-in* dialog, do one of the following:
   - Select **Tools > File Management > Check-in**.
   - Click **File Management Menu** and select **Check-in**.
2. In the *Source* section, the *Current path* field shows the default check-out directory. Edit this information or click **Browse**.
3. Do one of the following to select a file or files from the *Files to check-in* list.
   - Select an individual file.
   - Click the first file, hold down the **Shift** key, and click the last file to select consecutive items.

- Click the first file, hold down the **Ctrl** key, and click additional files to select nonconsecutive items. Do not release the **Ctrl** key until all the files are selected.
- Click **Select all** to highlight all listed files.
- Click **Show history** to view a selected file's backup details.

4. In the *Destination folder* section, edit the information in the *Current path* field or click **Browse**.

5. Click **Check-in**. The file or files are now checked in. The updated Work file (.FAC) is copied back to the CCH ProSystem *fx* Fixed Assets client data directory, replacing the Archive file (.FAA).

6. Click **Close**.

Remotely Checking Files out from a Network

(Tools > File Management > Check-out)

Note: These instructions are only for users with a local install of CCH ProSystem *fx* Fixed Assets.

Users with a local installation of CCH ProSystem *fx* Fixed Assets can remotely check files out from a network installation of CCH ProSystem *fx* Fixed Assets by doing the following:

1. To display the *File Management - Check-out* dialog, do one of the following:
   - Select **Tools > File Management > Check-out**.
   - Click **File Management Menu** and select **Check-out**.

2. In the *Source* section, click the *Current path* field's **Browse** button, then locate and select the client data folder of the CCH ProSystem *fx* Fixed Assets network install.

   The CCH ProSystem *fx* Fixed Assets default client data directory is UserData and is located on ?:\FixedAst\UserData (where ? represents the drive where CCH ProSystem *fx* Fixed Assets is installed).

3. Select a file or files from the *Files to check-out* list. You can also do the following:
   - Select an individual file.
   - Click the first file, hold down the **Shift** key, and click the last file to select adjacent items.
   - Click the first file, hold down the **Ctrl** key, and click additional files to select nonadjacent items. Do not release the **Ctrl** key until all the files are selected.
   - Click **Select all** to highlight all listed files.
   - Click **Show history** to view a selected file's backup details.

4. Verify that the directory path in the *Current path* field of the *Destination work folder* section is targeted to your local Client data folder.

   The CCH ProSystem *fx* Fixed Assets default client data directory is UserData (for example, C:\Fixedast\UserData).

5. Click **Check-out** and then **Close**. You can now edit the file locally.

Remotely Checking Files in to a Network

(Tools > File Management > Check-in)

📒 **Note**: These instructions are only for users with a local installation of CCH ProSystem *fx* Fixed Assets.

Users with a local installation of CCH ProSystem *fx* Fixed Assets can remotely check files back in to a network install of CCH ProSystem *fx* Fixed Assets by doing the following:

1. To display the *File Management - Check-in* dialog, do one of the following:
    - Select **Tools > File Management > Check-in**.
    - Click **File Management Menu** and select **Check-in**.
2. Verify that the directory path in the *Current path* field of the *Source* section is targeted at the local data folder. Click **Browse** if necessary.

    The CCH ProSystem *fx* Fixed Assets default client data directory is UserData (for example, C:\FixedAst\UserData).
3. Select a file or files from the *Files to check-in* list by doing one of the following:
    - Select an individual file.
    - Click the first file, hold down the **Shift** key, and click the last file to select adjacent items.
    - Click the first file, hold down the **Ctrl** key, and click additional files to select nonadjacent items. Do not release the **Ctrl** key until all the files are selected.
    - Click **Select all** to highlight all listed files.
    - Click **Show history** to view a selected file's backup details.
4. Verify that the path to the client data folder of the network install of CCH ProSystem *fx* Fixed Assets displays in the *Current path* field of the *Destination work folder* section. Click **Browse** if necessary.
5. Click **Check-in**. The local Work file (.FAC) is copied back to the CCH ProSystem *fx* Fixed Assets client data directory on the network, replacing the Archive file (.FAA).
6. Click **Close**.

Abandoning a Checked-Out File

(Tools > File Management > Check-in)

Use the following procedure to delete an edited checked-out file and convert its associated archive file, located in CCH ProSystem *fx* Fixed Assets client data directory, back to a work file. See *Overview of Client File Management* on page 69 for a table describing the file types and file extensions. This option is useful for retrieving a checked-out file without retaining any changes made to it.

To abandon a checked-out file, do the following:

1. To display the *File Management - Check-in* dialog, do one of the following:
    - Select **Tools > File Management > Check-in**.
    - Click **File Management Menu** and select **Check-in**.

2. In the *Source* section, the *Current path* field shows the default check-out directory. Edit this information or click **Browse** to select another path.

3. To select a file or files from the *Files to check in* list, do one of the following:
    - Select an individual file.
    - Click the first file, hold down the **Shift** key, and click the last file to select consecutive items.
    - Click the first file, hold down the **Ctrl** key, and click additional files to select nonconsecutive items. Do not release the **Ctrl** key until all the files are selected.
    - Click **Select all** to highlight all listed files.
    - Click **Show history** to view a selected file's backup details.

4. Check the **Abandon check-out** box and click **Check-in**. A confirmation dialog displays.

5. Click **Yes**.

6. Click **Close**.

Saving a Client File to CCH ProSystem *fx* Engagement

(File > Save to Engagement Binder)

CCH ProSystem *fx* Fixed Assets data files (.FAC) can be added to a workpaper tab in an Engagement binder. Prerequisites for exporting to Engagement include the following:

- You must have a valid Engagement user name and password.
- You must be a team member assigned to the binder you want to store the file in.
- You must be assigned the rights to create a new workpaper for the binder and the binder must be closed.
- You must have a licensed version of Engagement for this process.

To export a client file to Engagement, do the following:

1. Open a client file.

2. Select **File > Save To Engagement Binder**.

3. If this is the first time you have exported data during this session, you are prompted for your Engagement user login information. Enter it and click **OK**.

4. Click **Next** on the *Insert Workpaper Wizard* dialog.

5. In the Local File Room, select the client folder and then the binder where the client file is to be placed.

6. Click **Next**.

7. Select the workpaper tab where the client file is to be inserted and click **Next**.

8. Enter an index number and name.

9. Click **Finish** to display a summary dialog listing the binder, workpaper tab, and workpaper index number and name.

10. Click **Insert** if the information is correct. Click **Back** to change any of your selections.

Chapter 4

MANAGING ASSETS

With CCH ProSystem *fx* Fixed Assets, you can enter a wide variety of asset details (such as, category, location, general ledger asset account), including seven user-defined categories for each client. Once you have entered the details, you can use them to filter the way in which a client's assets display on screen and print in reports.

Overview of the Asset Detail Tab

To view asset detail information, double-click an asset on the *Asset List* tab or select the **Detail** tab. The *Detail* tab provides a full view of an asset's information.

Customizing Asset Detail Fields

Creating customized fields speeds data entry and offers greater control with less chance of errors. All of the fields in the upper pane of the *Asset Detail* dialog can be customized, with the exception of the following:

- **System number**. This number is assigned by CCH ProSystem *fx* Fixed Assets and cannot be changed.
- **Date acquired**.
- **Date in service**.
- **Notes**.
- **Description**.
- **Serial Number**.

Editing the Asset ID Field

(Tools > Fields > Edits)

The asset ID is not required, but it can be used as a column filter. You can also elect to print reports based on the asset ID or the system number. Once you establish a numbering scheme for the asset ID, the system automatically numbers new assets as they are added.

Notes:

- The asset ID can be changed at any time.
- The use of the *Prefix* or *Starting Number* field is optional.
- A starting number must be entered to begin the automatic numbering process.
- Do not use an asterisk (*) or a question mark (?) in the filter name.

Use the following procedure to change the Asset ID:

1. To display the *Asset Detail Field List* dialog, do one of the following:
   - Select **Tools > Fields**.
   - Click **Fields** on the toolbar.
2. Select **Asset ID** and click **Edit**. The *Edit Field - Asset ID* dialog displays.
3. Enter up to eight characters for the prefix of the Asset ID in the *Prefix* field (hyphens are allowed).
4. Enter up to six digits in the *Starting number* field; the number must be greater than zero. Do not use negatives or decimals. The starting number is appended to the prefix.

   Note: If you enter fewer than six digits in the *Starting number* field, leading zeroes are added to the entered value to create a six-digit figure.

5. Enter the number the Asset ID should increase by each time a new asset is added. The default is 10.

    ![note icon] Note: The *Increment by* field is disabled until a number greater than zero is entered in the *Starting number* field.

6. Click **OK** to save your settings and exit this dialog.

Customizing Tax Schedule Links

(Tools > Fields > Edit)

When entering asset detail, select a link from the *Tax link* picklist to associate the asset data with a specific tax schedule or entity. Linking is necessary for exporting data as well as for generating Form 4562. You can use the system-provided links or create your own. All assets must contain a link. A default tax link is assigned when a new asset is added. The default links are as follows:

- Individual - Schedule A
- Partnership - Other Depr
- Corporation - Other Depr
- Fiduciary - Form 1041
- S Corporation - Other Depr
- Exempt - Form 990, page 10

![note icon] Notes:

- If you import assets from the tax return, the tax schedule links are imported as well.
- If you have imported asset data, tax links for the imported assets display in the upper portion of the *Tax Schedule Link List* dialog. If you have not imported asset data, only the default link displays in the upper portion of the window.

Choose from the following options to customize your tax schedule links:

- To add a tax schedule link, see *Adding a New Entity* on the facing page.
- To edit tax schedule link properties, see *Editing an Entity* on page 83.
- To delete a link, see *Deleting an Entity* on page 83.

Changing an Asset's Tax Link

To change a tax link for one asset, do the following:

1. Display the *Detail* tab by doing one of the following:
    - Double-click an asset in the Asset List view.
    - Highlight an asset and select the **Detail** tab.

2. Select a new link from the *Tax link* drop-down list.

3. Click the **Save** button.

Adding a New Entity

Adding, editing, and deleting entities is client-specific.

To customize tax schedule links, do the following:

1. To display the *Asset Detail Field List* dialog, do one of the following:

   ▪ Select **Tools > Fields**.

   ▪ Click **Fields** on the toolbar.

2. Highlight **Tax link** and click **Edit** to display the *Tax Schedule Link List* dialog.

   Note: You can also click **Tax link** on the *Detail* tab to display the *Tax Schedule Link List* dialog.

3. Click **New Entity**.

4. Select a tax schedule from the *Tax link* list. This list includes links for the client type that is active (for example, Individual, Corporation, S Corporation).

5. Enter an entity description.

6. Edit the system-generated, unique *Entity Number* if desired.

7. Enter additional fields as needed:

   ▪ **Schedule K-1 entities for Individual and Fiduciary**. The *Entity type* field is available. An entity form can be selected to specify the type of K-1 entity. This information imports to Tax Preparation tax returns.

   ▪ **Farm activity for Corporation, S Corporation, Partnership, or Exempt**. Select **Farm** in the *Entity type* field.

   ▪ **SBE, Home Office, or Depletion entities**. Use the *Tax Link to parent* drop-down list to select the parent form with which the link is associated.

   ▪ **Pass-through entities, such as Individual Schedule K-1**. In the *Additional pass-through definition* section, enter an Activity description and edit the Activity number if desired. Click **New Activity**.

8. Click **Apply** to apply changes and update the list, or click **Clear** to remove all *Edit entity* section entries.

9. Repeat steps 3 through 8 to add additional entities.

10. Click **OK** to exit this dialog.

Editing an Entity

To customize tax schedule links, do the following:

1. To display the *Asset Detail Field List* dialog, do one of the following:
   - Select **Tools > Fields**.
   - Click **Fields** on the toolbar.

2. Highlight **Tax link** and click **Edit** to display the *Tax Schedule Link List* dialog.

   Note: You can also click **Tax link** on the *Detail* tab to display the *Tax Schedule Link List* dialog.

3. Select the entity you wish to edit.

4. Make the desired changes in the active fields displayed on the *Edit entity* section of the dialog. Press **F1** for information about the available fields.

5. Click **Apply** to save the edits.

6. Click **OK** to close the dialog, or click **Clear** to clear all changes in the *Edit entity* section.

To change a tax link for one asset, do the following:

1. Display the *Detail* tab by doing one of the following:
   - Double-click an asset in the Asset List view.
   - Highlight an asset and select the **Detail** tab.

2. Select a new link from the *Tax link* drop-down list.

3. Click the **Save** button.

Deleting an Entity

To customize tax schedule links, do the following:

1. To display the *Asset Detail Field List* dialog, do one of the following:
   - Select **Tools > Fields**.
   - Click **Fields** on the toolbar.

2. Highlight **Tax link** and click **Edit** to display the *Tax Schedule Link List* dialog.

   Note: You can also click **Tax link** on the *Detail* tab to display the *Tax Schedule Link List* dialog.

3. Select the entity to edit.

4. Click **Delete**.

   🗒 **Note**: If you delete an entity that has assets linked to it, the *Re-Link Assets* dialog displays.

5. Do one of the following:

   ▪ Select **Delete Assets** to delete all of the assets currently linked to the deleted entity. Click **OK**.

     🗒 **Note**: The *Delete assets* radio button is disabled when assets associated with the tax link are any of the following:

       ◦ Included in a group disposition
       ◦ Included in a partial disposition
       ◦ Included in a like-kind exchange with a continuation asset
       ◦ Part of a split asset

   ▪ Select **Change tax link** to re-link assets to an entity listed in the *Tax Schedule* drop-down list. Click **OK**.

6. Click **OK** to save your changes and exit the *Tax Schedule Link List* dialog.

Configuring the Asset Detail Picklist

This section explains how to customize system and user-defined picklists on the *Detail* tab. Picklists can be used to filter the list of assets and to filter and sort assets for printed reports. Creating customized fields speeds data entry and offers greater control with less chance of input errors. The seven user-defined fields can be used for items such as cost center, department, and asset ID tag.

CCH ProSystem *fx* Fixed Assets allows you to create and edit the field picklist, provides a descriptive field tip to display on the status bar, and adds a field description for user-defined fields.

The system-provided detail fields are as follows:

- Category
- Location
- GL asset account
- GL depreciation/amortization expense account
- GL accumulated depreciation/amortization account
- Amortization code section (contains a pre-defined picklist)
- Section 263A rules apply

Detail field settings are client-specific.

To customize the asset detail picklist, do the following:

1. On the *Detail* tab click the label of the detail field of the picklist you want to edit. For example, click **Category**, **Location**, or **GL asset account**. The *Edit Field Properties* dialog displays.

2. If this is a user-defined field, you can enter or edit the contents of the *Description* field. The information entered in this field is used as the name of the selected picklist.

   📝 Note: The *Field name* field cannot be edited.

3. Enter or edit the contents of the *Field tip* field. The field tip information displays in the lower left portion of the CCH ProSystem *fx* Fixed Assets status bar when you click the picklist.

4. Do any of the following:

   ▪ **Move up an item**. Highlight the item and click **Move Up** until the item is positioned correctly. When *Move Up* is selected, the sort option is cleared.

   ▪ **Move down an item**. Highlight the item and click **Move Down** until the item is positioned correctly. When *Move Down* is selected, the sort option is cleared.

   ▪ **Delete an item**. Highlight the item and click **Delete**.

   ▪ **Delete the entire picklist**. Click **Clear list**.

   ▪ **Sort items alphabetically**. Check the **Sort list alphabetically** box.

   ▪ **Add a picklist item**. To add items to the picklist, place the cursor in the *Edit item* field, enter a value, and click **Add**. Picklist items have a maximum length of 45 characters.

   ▪ **Edit an item**. Highlight the item, change it in the *Edit item* field, and click **Apply**.

   ▪ **Clear the Edit item field**. Highlight the item and click **Clear field**.

> **Note**: The Amortization code section dialog has an additional button, *Restore*. This button clears any existing list entries and restores the default list of amortization codes.

5. Click **OK** when finished.

After editing or deleting picklist values and exiting the *Edit Field Properties* dialog, you are prompted to delete or retain asset values for the edited fields that no longer exist in the updated picklist.

If your changes affect existing data, CCH ProSystem *fx* Fixed Assets asks if you want to keep existing data intact or set existing data to blank.

Global Settings can also be applied to field properties using the Global Settings drop-down list at the top of the dialog.

Adding an Asset

You can add an asset from any tab within the program. The information that displays in the *Asset Detail* section depends on your data entry preferences (that is, *Use previous tax link for new asset*, *Use previous asset's settings for new asset*, or no preferences set). Use **Tools > Preferences** to set data entry preferences.

Entering Asset Detail

(Assets > Add)

1. Choose one of the following to add an asset:
   - Select **Asset > Add**.
   - Press **Ctrl + T**.
   - Click **Add Asset** on the toolbar.
   - Right-click the asset and select **Add** from the menu.
2. If you have set up a custom Asset ID numbering system, the next sequential number in the system is applied to the added asset. If you have not set up a custom asset numbering system, you can enter an asset ID of up to 14 characters.
3. Press **Tab** to move to the *Tax Link* field. You can select a tax schedule link from the *Tax link* drop-down list. The *Tax link* field is a required field.

   To add a new tax schedule link, click **Tax Link**.
4. Enter a date in the *Date Acquired* field, enter a date in mm/dd/yyyy or mm/dd/yy format.

   > **Note**: An empty *Date Acquired* field will be filled with the date in service date entered. The *Date Acquired* field is not a mandatory field. However, if an acquired date is entered, that date is placed in the *Date in Service* field if it is empty.

5. If the *Date Acquired* field has not been entered, enter a date in the *Date in Service* field. Use the date formats listed in step 4. An empty *Date Acquired* field is filled with the date entered in the *Date in service* field.

    📝 **Note**: The date in service can be later than the date acquired.

    When the date in service is entered, the asset's Book section becomes available.

6. Enter descriptive information of up to 80 characters in the *Description* field.

7. To flag an asset as inoperative, check the *Asset Inactive* check box. The asset will not be included in calculations, reports, and exports to CCH ProSystem *fx* Tax.

    📝 **Note**: The Asset List displays an *X* in the status column for all inactive assets.

8. You can enter a note of up to 80 characters in the *Notes* field.

9. If a serial number exists for the asset, enter it in the *Serial number* field. The number can have a maximum of 45 digits.

10. If you have defined custom picklists for the asset detail fields, click the drop-down arrows to select the correct items for the asset (for example, Location, GL Asset Account).

11. Enter the asset's depreciation input in the *Depreciation Detail Input* grid.

Entering Depreciation Input

Navigating the Depreciation Detail Grid

The following options are available when navigating the Depreciation Detail Grid:

*   Press **F6** to move between the top Detail pane and the Depreciation Detail grid.
*   Press **Tab** or **Enter** to move from one field to the next.
*   Press **Alt + Down Arrow** or **Alt + F4** to open drop-down lists.
*   Click a field label to edit its picklist.

Using the Depreciation Detail Grid

The following information reviews the fields available in the Depreciation Detail grid.

		Federal	Financial	AMT	State	State AMT
Type of Property	+	Personal	Personal	Personal	Personal	Personal
Special Allowance Option		168(k) - 50%	N/A	168(k) - 50%	N/A	N/A
Cost or Other Basis		25000.00	25000.00	25000.00	25000.00	25000.00
Business Use Percent	☐	100.0000	100.0000	100.0000	100.0000	100.0000
Method		MACRS Calc	SL	MACRS Calc	MACRS Calc	MACRS Calc
Life (years, rate or units)		5.0000	5.0000	5.0000	5.0000	5.0000
Convention		Mid Quarter	N/A	Mid Quarter	Half Year	Half Year
Quarter Number		2		2		
Section 179/Bonus		1800.00		1800.00	1800.00	1800.00
Salvage Value						
ITC/Basis Adjustment	☐					
Tax Preference/Section 168(e) Code						
Current Section 179/Bonus	☐	1800.00		1800.00	1800.00	1800.00
Special Allowance Depreciation		11600.00		11600.00		
Current Depreciation		14500.00	2916.67	14500.00	4640.00	4640.00
Total Depreciation		14500.00	2916.67	14500.00	4640.00	4640.00
Basis Reduction		1800.00		1800.00	1800.00	1800.00
Adjusted Basis		8700.00	22083.33	8700.00	18560.00	18560.00
Special Allowance Depreciation Adjustment					9860.00	9860.00

Consider the following points when entering depreciation data:

- Entries in the Federal book may automatically flow into cells in other books depending on how you set up books for this client. Therefore, we recommend entering Federal book values first. If you change a Federal entry that automatically flows into other books, the other books are automatically updated provided you did not change them manually.

- Values for new assets can be set to initially autoflow to other books using the *Compute basis as…* setting on the *Book Setup* tab.

- Values that CCH ProSystem *fx* Fixed Assets calculates display in blue.

- Computations are shown for all books based on the fiscal year. Partial year amounts are viewed through reports in which you specify the time period.

- The books displayed depend on the book setup you established when setting up the client.

- In regards to partial dispositions, overrides of depreciation amounts in the original asset will be allocated between it and the asset created for the disposed portion. The override will be treated as such in both assets. All non-calculated information will remain the same in both assets.

Type of Property

Select the type of property. The types that are available depend on the date in service.

Leased autos are treated as a non-depreciable category so the data can be passed to Tax. You cannot enter depreciation amounts and they are excluded from depreciation reports.

Additional Property Type (Optional)

The availability of items in this field is determined by the date in service and selected property type.

Click the **plus sign (+)** next to *Type of Property*. This inserts a row for *Additional Property Type*. Select an additional property type from the following:

- Additions and Improvements
- Indian Reservation
- Investment Property
- Empowerment Zone
- Disaster Zone Demolition/Clean Up Costs
- Disaster Zone
- Disaster Zone Qualified Costs
- Renewal Community
- Commercial Revitalization Expense (50%)
- Commercial Revitalization Expense (120 months)

Type of SUV (Optional)

NYC or MD must be designated as State or other books in Client Properties > Book Setup.

When the property type is SUV, two or three selections will be available:

- Auto Limits
- Truck Limits
- Eligible Farmer

Note: Eligible Farmer is only available for NYC.

Special Allowance Option

Note: There are limited situations where assets are eligible for Section 168(k) special allowance depreciation outside of the dates listed below.

- Select **168(k) Property - 30%** for qualified new property acquired after 9/10/2001 and before 1/1/2005 or after 01/01/2018 and before 01/01/2020.
- Select **168(k) Property - 40%** for qualified new property acquired after 12/31/2017 and before 01/01/2019.
- Select **168(k) Property - 50%** for qualified new property acquired after 5/5/2003 and before 1/1/2005 or after 12/31/2007 and before 09/09/2010 or after 12/31/2011 and before 01/01/2018. This option is also available for fiscal years that include 09/08/2011.
- Select **168(k) Property - 100%** for qualified new property acquired after 9/8/2010 and before 1/1/2012.

- Select **Cellulosic Biomass Ethanol** for a first-year depreciation allowance equal to 50 percent of the adjusted basis of qualified property used solely to produce cellulosic biomass ethanol, acquired after 12/20/2006 and before 01/01/2017.

- Select **Disaster Zone** for Gulf Opportunity Zone property placed in service on or after 8/28/05 and for Kansas disaster area property placed in service on or after 5/4/07. This bonus depreciation applies to nonresidential and residential rental property and the property can be used property. The property must be placed in service before 2008 (before 2009 in the case of residential and nonresidential real property) and there must not have been a pre-August 28, 2005, for Gulf Opportunity Zone property, or a pre-May 4, 2007, for Kansas disaster area property, binding contract to purchase the property. To qualify for bonus depreciation, substantially all the asset's use must be in the Gulf Opportunity Zone or the Kansas disaster area.

- Select **Reuse and Recycle Property** for a first-year depreciation allowance equal to 50 percent of the adjusted basis on a qualified reuse and recycling property acquired and placed in service after 8/31/08.

- Select **New York Liberty Zone** for property substantially used in New York Liberty Zone that was acquired after 9/10/2001 and before 2007 (before 2010 for residential and non-residential real property) and that does not qualify as section 168(k) property.

- Select **10% of Federal 168(k)** for Arizona state assets placed in service in tax years 2013 and later.

Cost or Other Basis (Optional)

Enter the cost or other basis as a dollar amount.

Business Use Percent (Optional)

If appropriate, click the detail box next to *Business Use Percent* to display the *Business Use Percent* dialog.

Only one business use percent is allowed for all books. The current year business use percent always displays.

For assets placed in service in the current year, the business use percent defaults to 100%.

Business Use Percentages for Assets with Prior Years

For assets placed in service in prior years, click the year or short year that you want to enter a percentage for, and then enter the percentage in the *Enter business use percent* field.

If you change the current business use amount, you are given the option of applying the same amount to all prior years, provided:

- You have not previously chosen *No* when prompted to autoflow business use amounts to previous years, and
- At least one previous year is unlocked, and
- The prior years all have 100% business use percentages, or

- You have previously chosen to autoflow the business use amount to prior years and all prior year business use amounts are the same.

Click **OK** to apply the appropriate business use amount and return to the *Detail* tab.

📒 **Notes**:

- If the asset is an automobile or listed property, the business use percent can be computed from the *Vehicles and Listed* tab.
- Only business use percentages for the past eight years display in this list.

Method (Required)

Select a method. The methods listed in the picklist depend on the selected type of property.

Life (years, rate, or unit) (Required)

Enter the appropriate value.

Once the life is entered, CCH ProSystem *fx* Fixed Assets calculations display in blue in the amount fields as appropriate for the asset type and method.

📒 **Notes**:

- You can override the amounts calculated by CCH ProSystem *fx* Fixed Assets by placing your cursor in a field, deleting the current amount, and entering the new amount.
- If you change the type of property or method and the Life value is no longer valid, the value will change to the system default value.

Convention

Select the applicable convention for the asset.

The convention for current year assets is calculated unless it is set in the *Client Properties* dialog in the Mid-quarter convention field. For current year assets, the convention in use will display in a grayed-out box in each book's column.

CCH ProSystem *fx* Fixed Assets determines the quarter based on date in service and fiscal year/short year information. The quarter number can be modified on prior year assets.

If a MACRS asset, the convention for current year assets is calculated but can be manually set in the *Client Properties* dialog.

For MACRS assets, this field is only editable if entering prior year assets.

Notes:

- This field is not available for Other books being used to compute State ACE or AMT, or E&P.
- If CCH ProSystem *fx* Fixed Assets determines that the current year convention must be changed, it will prompt you before making changes and re-calculating amounts.
- Computer software, Amortization, and Non-Recovery Straight Line assets offer the Full Month convention. The Full Month convention treats the asset as if it was placed in service on the first day of the month. No depreciation is calculated for the last month of the asset's life before the asset is sold. The Actual Month convention is used if the convention is N/A.

Sec. 179/Bonus (Optional)

If applicable, enter a Section 179/Bonus amount. If Section 179 is allowed, several additional lines will display. What the lines display depends on whether or not the asset is current year or prior year.

Salvage Value (Optional)

Enter the estimated dollar value that the asset could be sold for at the end of its useful life. Neither the ACRS nor the MACRS method considers the salvage value.

ITC/Basis Adjustment (Optional)

If applicable, click the detail box next to ITC/Basis Adjustment and select a credit from the *Credit Type* drop-down list. Click **OK** to accept the entry. You can override the default amount in the Detail grid if needed.

Tax Preference/Section 168(e) Code (Optional)

Select the appropriate code for the Federal book. Your selection will autoflow to all open books but will only be editable in the Federal and State books. The Tax Preference Code is used in the calculation of the AMT book. The Section 168(e) Code is used for import to CCH ProSystem *fx* Tax as well as preparation of the 4562 Qualified Section 179 Real Property statement.

When a Property type of Improvements is selected, the following three codes will be available in the field:

- Leasehold
- Restaurant
- Retail

Note: Leasehold is the default selection.

These selections are related to the Real Property Section 179 elections and will flow to the Real Property statement for the Form 4562.

Exchange Parent Current Depreciation

If you exchange an asset in the year acquired on old law assets, the current depreciation of the parent asset will display on the detail grid. This section will only show up if the exchange occurred in the year acquired.

Prior Depreciation (Optional)

CCH ProSystem *fx* Fixed Assets computes this value each time you enter data, once the fields required for the calculation have been completed. You can override this calculated amount by entering your own value. To view the calculated amount after entering your own values, click the button next to Prior Depreciation.CCH ProSystem *fx* Fixed Assets will display the value you entered, the calculated amount, and any variance.

Business Use Prior Depreciation (Optional)

If you have at least one current or prior business use percentage, CCH ProSystem *fx* Fixed Assets will display the business use percentage being applied.

Current Sec 179/Bonus (Optional)

When a Business Percentage is entered for an asset that has elected to take Section 179/Bonus, the Section 179/Bonus is limited to the Business Percentage entered above and will display in this field.

Special Allowance Depreciation (Optional)

If you have a Special Allowance Option selected and it is the first year of depreciation for the asset, then this field will automatically calculate after basic data for an asset has been entered. This section will only show up during the first year of the asset when one of the special Allowance Options is selected.

Business Use Special Allowance Depreciation (Optional)

The amount in the Special Allowance Depreciation is multiplied by the computed business use percentage to determine the Special Allowance Business Use depreciation. This section will only show up during the first year of the asset when one of the Special Allowance Options are selected and there is a business use percentage less than 100%.

Current Depreciation (Optional)

CCH ProSystem *fx* Fixed Assets computes this value each time you enter data, once the fields required for the calculation have been completed. You can override this calculated amount by entering your own value.

Business Use Current Depreciation (Optional)

The amount entered in the Current Depreciation field is multiplied by the computed business percentage to determine the current business use depreciation.

Total Depreciation (Optional)

The amount is the sum of the prior and current year depreciation.

Business Use Total Depreciation

If the business use percent is other than 100%, you can expand the total depreciation by clicking the plus sign to display the depreciation amount with the business use percent applied. If a prior year exists, the amount includes the prior year total depreciation with business use percent applied. The amount is correct when closing a year, and also when reversing a closed year. If the business use percent amount is 100%, the expand column will be blank.

Basis Reduction (Optional)

The amount is the total of the following, if present in the asset: Section 179, Disaster Zone clean up, and ITC basis adjustment. This total reduces the amount of the basis immediately before depreciation is calculated because these allowances can be taken in full the first year of the asset.

Business Use Basis Reduction

If the business use percent is other than 100%, you can expand the basis reduction by clicking the plus sign to display the amount with the business use percent applied. If the business use percent amount is 100%, the expand column will be blank.

Adjusted Basis

The amount is the sum of Cost or Other Basis less Total Depreciation and Basis Reductions.

Applying Section 179 Bonus Maximums at a Client Level

(Assets > Section 179)

CCH ProSystem *fx* Fixed Assets allows you to apply the Section 179 amounts on any eligible current year assets from the *Asset List*. The *Section 179 Allocation* dialog displays a tab for each active book.

- Each asset displays with the currently allocated amount.
- The assets display in order of the date in service.

Note: This option is only available from the *Asset List* tab. If there are no assets eligible for Section 179, the menu item is not available.

Apply the Maximum Section 179

1. To display the *Section 179 Allocation* dialog, do one of the following:
   - Select **Assets > Section 179**.
   - Click **Section 179 Allocation** on the toolbar.
2. Select an asset from the list and click **Maximize** to apply the maximum amount of available Section 179 to the selected asset.

   If you select the *Maximize All* button on the *Federal* tab, you receive a message stating *Would you like to force the new federal Section 179 to the other books currently designated with autoflow?*
   - If you select *Yes,* the elected Section 179 applied for the Federal book autoflows to each book that is set to autoflow Section 179.
   - If you select *No,* the elected Section 179 does not autoflow to the other books.
3. Click **OK** to save your changes and exit the dialog.

Maximize all Section 179

1. To display the *Section 179 Allocation* dialog, do one of the following:
   - Select **Assets > Section 179**.
   - Click **Section 179 Allocation** on the toolbar.
2. Select from the following options:
   - **Apply Section 179 to assets with longest lives first**. Applies Section 179 to longer life assets first when maximizing all assets.
   - **Apply Section 179 to assets with earliest date in service first**. Applies Section 179 to assets with earliest date in service first when maximizing all assets.
   - **Apply Section 179 to assets with latest date in service first**. Applies Section 179 to assets with latest date in service first when maximizing all assets.
3. Click **Maximize All**. This allocates the available amount of Section 179 among all assets in the order specified from the *Apply Section 179* fields.

   If you select the *Maximize All* button on the *Federal* tab, you receive a message stating *Would you like to force the new federal Section 179 to the other books currently designated with autoflow?*
   - If you select *Yes,* the elected Section 179 applied for the Federal book autoflows to each book that is set to autoflow Section 179.
   - If you select *No,* the elected Section 179 does not autoflow to the other books.
4. Click **OK** to save your changes and exit the dialog.

Applying Section 179 Bonus Maximums at an Asset Level

(Assets > Section 179)

CCH ProSystem *fx* Fixed Assets allows you to access the Section 179 detail information on any eligible current year asset regardless of Section 179 input.

To maximize Section 179 at an asset level, do the following:

1. Display the asset detail information by doing one of the following:
   - ▪ Highlight an asset with Section 179 on the *Asset List* tab then select the **Detail** tab.
   - ▪ Double-click the asset on the asset list.
2. In the depreciation detail grid, click the blue square next to the *Section 179/Bonus* field. The *Section 179 Detail Information* dialog displays.
3. Click **Maximize Federal**.

   Note: This allocates the maximum Section 179 expense available for this asset to the Federal book. A message displays inquiring whether to autoflow the federal amount. If *Yes* is selected, any book designated to autoflow Section 179 also receives the new elected amount.

4. Click **OK** to save your changes and exit the dialog.

Displaying a Calculation

(Assets > Display Calculation)

For each asset, you can display the calculation for the current year depreciation. Display Calculation is not available when a current depreciation override is present or when current depreciation is blank. You can print the calculation detail from the *Display Calculation* dialog.

Note: Calculation detail can only be printed from the *Display Calculation* dialog.

To display the calculation from the *Detail* tab, do one of the following:

- Select **Assets > Display Calculation**.
- Click **Display Calculation** on the toolbar.
- Right-click in one of the books on the *Detail* grid and select **Display Calculation** from the menu.

   Note: The *Display Calculation* dialog defaults to the corresponding book.

From this dialog, you can display a different book by selecting it from the *Book* drop-down list. Only active books with current depreciation and no overrides appear in the *Book* drop-down list.

The *Basis* calculation in the *Current Depreciation* section updates automatically for each book and is based on the applicable items from the following list:

- Cost
- Section 179
- ITC
- Clean Fuel
- Start Up Costs
- Salvage Value
- Special Allowance
- Prior Depreciation
- 179/280F Recapture
- Other Basis Adjustments
- Remaining Basis

Adding a Vehicle or Listed Property

CCH ProSystem *fx* Fixed Assets calculates a vehicle's business percentage use based on mileage information.

⚠️ **Warning!** Performing either of the following causes CCH ProSystem *fx* Fixed Assets to remove all the Vehicle and Listed property information.

- Changing an asset from a listed property type to a non-listed property type.
- Changing an asset from a listed auto to another listed property type.

If the business use percentage was computed from entries that were thereafter deleted on the *Vehicles and Listed* tab, the percentage returns to 100%.

Follow these steps to add information about vehicles and listed property:

1. Click the **Detail** tab and enter information in the upper pane as appropriate. Be sure to enter the date in service and a description.
2. In the Depreciation Detail grid, select from the *Type of Property* drop-down list.
3. Once the asset is identified as a listed property, the *Vehicles and Listed* tab displays for the asset. Click the **Vehicles and Listed** tab.
4. Enter the *Total business/investment miles*. The business miles and total miles are used to compute the business use percentage.
5. The *Average daily commuting miles* is for Individual returns only. The *Total commuting miles for the year* is used for print purposes only.
6. Enter the *Total miles driven in a year*.

%

7. Click the **Percentage** button next to the *Business use percentage* field to override the computed business usage percentage. The *Business Use Percent* dialog displays.

Enter a new percent in the *Enter business use percent* box and click **OK**.

📝 **Notes**:

- If the mileage entries or the business use percentage override causes the business use to drop to 50% or less, a message displays asking if you want CCH ProSystem *fx* Fixed Assets to change the method to straight line.

- If the *Business use percentage* value has been overridden on the *Asset Detail* tab, it displays in pink.

8. In the *Questions for this vehicle* section, select **Yes** or **No** in response to the questions.

9. Click **Questions for All Listed Property**.

10. Answer the questions as appropriate and click **OK** to return to the *Vehicles and Listed* tab.

Business Use Percentage Calculation

When Total business/investment miles have been entered, the business use percentage is calculated based on the Total business/investment miles and total miles driven in a year. The computed amount displays in the *Business usage percentage* field on the *Asset Detail* tab.

Business Use Percentage Messages

- If the mileage entries or the business percent override cause the business use to drop to 50% or less, a message displays asking if you want the system to change the method to straight line.

- If mileage is entered for an asset with prior years, you are given the option of applying the business use amount to all prior years, provided:

  - You have not previously chosen *No* when prompted to autoflow business use amounts to previous years, and

  - At least one previous year is unlocked, and

  - The prior years all have 100% business use percentages, or

  - You have previously chosen to autoflow the business use amount to prior years and all prior year business use amounts are the same.

Entering Home Office Input

The *Home Office* tab is available only for Individual returns with Form 8829 as the tax link and without entries on the *Vehicles and Listed* tab.

The *Home Office* tab includes the following sections:

Business Use of Home Information

The home information is applied for each 8829 tax link entity. Every time the *Home Office* tab is opened for the same Form 8829 entity, the same home information displays.

- **Home Number**. This field corresponds to M-14, Box 30, and will be loaded on import from Tax. It will be used when the same home is used in more than one business. The field default is one.
- **Area used exclusively for business (square footage)**. Enter appropriate measurements. If square footage is entered for an asset with prior years, you are given the option of applying the business use amount to all prior years, provided:
  - You have not previously chosen *No* when prompted to autoflow business use amounts to previous years, and
  - At least one previous year is unlocked, and
  - The prior years all have 100% business use percentages, or
  - You have previously chosen to autoflow the business use amount to prior years and all prior year business use amounts are the same.
- **Total area of home**. Enter appropriate measurements.

Day Care Facilities

When both area fields are entered, the Day care facilities fields will become available and the *Total hours facility available for use* field defaults to the number of hours in the current fiscal year. The computed *Day care business percentage* field remains disabled and does not default to any percentage. The *Day care business percentage* is computed and displayed in the *Business use percentage* field when the Total hours used is entered. When the Total hours used is deleted, the Total hours available will be deleted and is disabled.

Business Use Percentage

When values are entered in both of the area fields, the business use percentage will be computed and displayed at the bottom. The percentage will be 100% when the area fields are empty.

Business Use Percentage - Home Office Percentage vs. Detail Tab

- If no business use percent has been entered in the *Detail* tab, then the computed Home Office percentage will be used and will appear in the Detail view.
- If an override for business use has been entered on the *Detail* tab, then this entry will show in the override color pink in the Detail view.
- If the override is removed, the Home Office percentage will be used. The Home Office percentage will remain the same without regard to the individual asset override since it applies to all of the home office assets for the same Form 8829 entity.

Editing Property Tax Input Values

The sales tax, sales tax rate, and estimated market value of an asset can be entered or modified on either the *Property Tax* tab of the individual asset, or on the *Property Tax Input Values* dialog which is a spreadsheet format listing of all assets that have not been disposed of in a prior year.

When a value is entered or modified, the new amount will be displayed from the current tax period forward.

Follow the procedure for either the *Property Tax* tab or the *Property Tax Input Values* dialog.

Property Tax tab

1. Highlight an asset on the **Asset List**.
2. Select the **Property Tax** tab.

   The *Estimated market value*, *Sales tax amount*, and *Sales tax rate* fields are populated from entries made either here or on the *Property Tax Input Values* dialog.
3. Enter or modify the **Estimated market value**.
4. Enter or modify the **Sales tax rate**.
5. Enter an override amount for the **Sales tax amount**, if desired. An override amount entered either here or on the *Property Tax Input Values* dialog is maintained even if the sales tax rate is changed. Otherwise, the sales tax amount is automatically calculated.

   When not overridden, the sales tax amount is based on the Financial book cost. If the Financial book is not active, then you must enter the sales tax as an override amount. The override is magenta in color.

Property Tax Input Values dialog

1. Select **Assets > Sales Tax and EMV**. The *Property Tax Input Values* dialog displays.

   Notes:

   - The *Sales Tax Rate*, *Sales Tax Amount*, and *Est. Market Value* fields are populated from entries made either here or on the *Property Tax* tab.
   - The columns can be resized on this screen.
   - Use the Arrow keys, Tab, Shift + Tab, or the mouse to navigate the grid. Ctrl + Tab will exit the grid and move to the OK button.
   - Change the sort sequence by clicking on a column header, and click it again to reverse the sort.

2. Enter or modify the **Sales Tax Rate** for an asset.
3. Enter an override amount for the **Sales Tax**, if desired. An override amount entered either here or on the *Property Tax* tab is maintained even if the sales tax rate is changed. Otherwise, the sales tax amount is automatically calculated.

   When not overridden, the sales tax amount is based on the Financial book cost. If the Financial book is not active, then you must enter the sales tax as an override amount. The override is magenta in color.

4. Enter or modify the **Est. Market Value** of an asset.

5. Click **OK** to save your changes and exit, or click **Cancel** to exit the dialog without saving the changes.

📒 Notes:

- **Locked years**. The *Property Tax* Tab and the *Property Tax Input Values* dialog are not available in the current year if the current year is locked. These screens are also not available for prior years that are locked.

- **Reversed to a prior year**. If the asset file is reversed to a prior year, the values of future periods are not displayed.

- **Reports of prior years**. For reports that are run in years prior to the year the data is entered, the sales tax and sales tax rates are pulled from the future period entries if none are present for the current year. Any value entered for Estimated Market Value does not display.

- **Property Tax Listing Report**. You can customize the *Property Tax Listing* report to include these fields:
  - General - Cost less sales tax
  - General - Estimated market value
  - General - Sales tax
  - General - Sales tax rate

  You can also customize the report columns, sort, and filters:
  - **Specify Columns**. Select the columns on the *Column Selection* tab of File/Print/Reports/Activity and Status/Property Tax Listing. See *Customizing Report Properties* on page 142.
  - **Sort and Filter**. You can sort or filter the report on these fields: *General - estimated market value*, *General - sales tax*, and *General - sales tax rate*.

- **Asset List Filter Selections**.

  You can include these fields in a client-specific filter or global filter:
  - General - Estimated market value
  - General - Sales tax
  - General - Sales tax rate

- **Asset List Column Selections**.

  You can customize the *Asset List* to include the following columns:
  - Property Tax - Estimated Market Value
  - Property Tax - Sales Tax Amount
  - Property Tax - Sales Tax Rate

- **Asset List Report Column Selections**.

  You can customize the *Asset List Report* to include the following columns:
  - Property Tax - Estimated Market Value
  - Property Tax - Sales Tax Amount
  - Property Tax - Sales Tax Rate

- **Find and Replace**.

    You can search for the following terms and replace them as needed:

    - Property Tax - Estimated Market Value
    - Property Tax - Sales Tax Amount
    - Property Tax - Sales Tax Rate

    See *Creating a New Filter* on page 111 and *Creating Global Settings for Filters* on page 31.

Entering State Use and State Use Amount Data

To enter input to compute depreciation unique to particular states such as California, New York, North Carolina, and New Jersey, use the State Use and State Amount fields on the CCH ProSystem *fx* Fixed Assets *Other* tab.

Note: The *Other* tab only displays when a state has been selected from the *Designate state for export* field on the *Client Properties > Book Setup* tab. See *Setting Up Books* on page 48 for details.

Projecting Asset Depreciation Data

You can apply business use percent to all amounts on the projection tab.

Notes:

- A future fiscal year may be entered in the calendar and can be used in projections.
- Property information displays when you hover the cursor over a Book column, for example, the book name, cost basis, and method display.
- Detail, Multi-year, and FASB 109 projection reports can be printed by clicking **Print Reports** and selecting one of the reports in the Projection Reports folder. Book-based comparative projections are also available.

Project Asset Depreciation for all Active Books

1. Select an asset with future years.
2. Click the **Projection** tab. The system number, asset ID, and description display at the top of the screen. The list defaults to All books.
3. The *Projection type* field defaults to Current with the additional options of Beginning, Accumulated and Net Book Value available for selection.
4. To apply business use to all amounts for the selected projection type, select **Apply business percent**. The *Apply business use percent* option:
    - Is not available if all business use for prior and current years is 100%.
    - Is available for future year assets.

- When selected, applies business use to projection amounts until the client is closed. When the client is reopened, the original amounts display.

Project Asset Depreciation for a Specific Book

1. Select an asset with future years.

2. Click the **Projection** tab. The system number, asset ID, and description displays at the top of the screen.

3. Select a single book from the *Book* drop-down list. The table displays the current, beginning, accumulated, and net book value depreciation information for the selected book.

4. To apply business use to all projection amounts for the selected book, select **Apply business percent**. The *Apply business use percent* option:

   - Is not available if all business use for prior and current years is 100%.
   - Is available for future year assets.
   - When selected, applies business use to projection amounts until the client is closed. When the client is reopened, the original amounts display.

Editing an Asset

You can change asset information by displaying the asset in the *Detail* tab and changing its values. CCH ProSystem *fx* Fixed Assets re-calculates certain fields including *Prior Depreciation* and *Current Depreciation* when field values are changed.

Duplicating an Asset

(Assets > Duplicate)

If you duplicate an asset that is part of a group disposition, CCH ProSystem *fx* Fixed Assets adds the new asset to the group.

To duplicate an asset, do the following:

1. Select the asset to be duplicated.

2. Choose one of the following to duplicate all the information for the asset except for the system number and any Section 179 information:

   - Select **Assets > Duplicate**.
   - Click **Duplicate Asset** on the toolbar. A copy of the selected asset is added to the end of the asset list.
   - Right-click an asset and select **Duplicate** from the menu.
   - Press **Ctrl + U**.

3. Edit the duplicated asset as required.

Clearing Current Depreciation Overrides

(Tools > Remove Overrides)

This option only removes overrides entered for the current year. To remove overrides for prior years, you must roll back to a prior year. See *Reversing a Closed Year* on page 68 for details.

Select **Tools > Remove Overrides** or click Remove Overrides on the toolbar to remove values manually entered in the *Current Depreciation* field of the Depreciation Grid, and then click **Yes** on the confirmation dialog.

Locating an Asset

Using the Go To Asset Option

(Edit > Go To)

To quickly locate an asset, use the **Go To** tool.

1. Choose one of the following to display the *Go To Asset* dialog:
   - Select **Edit > Go To**.
   - Click **Go To Asset** on the toolbar.
   - Right-click an asset in the Asset List and select **Go To** from the menu.
2. Choose the **System Number** or **Co. Asset ID** button.
3. Enter the system number or ID in the field and click **OK**.

Using the Navigational Arrows and Keyboard Shortcuts

You can also use the navigational toolbar buttons and keyboard shortcuts to page to the next or previous asset, or move to the beginning or end of the asset list.

Navigation

Keyboard Shortcuts	Navigation Shortcuts	
⏮ or **Alt + Home**	**First**	Selects the first asset
◀ or **Alt + Page Up**	**Previous**	Selects the previous asset
▶ or **Alt + Page Down**	**Next**	Selects the next asset
⏭ or **Alt + End**	**Last**	Selects the last asset
➡	**Go To Asset**	Locates an asset by system number or company asset ID

Adding Multiple Duplicates

(Assets > Multiple Duplicate)

To create multiple asset duplicates, do the following:

1. Select the asset to be duplicated.
2. To duplicate all the information for the asset except for the system number and any current year Section 179 information, do one of the following:
   - Select **Assets > Multiple Duplicate**.
   - Click **Multiple Duplicate** on the toolbar.
3. Enter the number of assets to duplicate on the *Multiple Duplicate* dialog and click **OK**.
4. Edit the duplicated assets as required. Duplicate copies of the selected asset are added to the end of the Asset List.

Using Find and Replace

To locate a value entered in a specific field or update information in a field for multiple assets, use the **Find and Replace** utility to do the following:

- Locate and replace content in fields on the *Detail* tab.
- Search both editable fields and picklists.
- Narrow your search by books, when applicable.
- Change the status of check box fields (for example, Asset Inactive).

To locate and replace field content, do the following:

Note: The assets that are searched are limited by the filter currently used by the Asset List. If multiple assets are selected, only those assets are included in the search. To expand or narrow your search, select a filter from the *Filter* drop-down list on the toolbar. See *Overview of Using Filters* on page 110 for further details.

1. Choose one of the following to display the *Find and Replace* dialog:
   - Select **Edit > Find** and **Replace**.
   - Press **Ctrl + F**.
   - Click **Find Menu** and select **Find and Replace**.
   - Right-click and select **Find and Replace** from the menu.
2. Select a field from the *Select field to find and replace* drop-down list.
3. If you selected a book related field (for example, Type of Property), check the box of each book to be searched: Federal, Financial, AMT, ACE, State, Other 1, Other 2, and/or Other 3.
4. Click **OK**.
5. On the *Find and Replace* dialog, enter the search content in the *Find what* field or select a value from the field's drop-down list, if available.
6. Enter the value that you want to update in the target field's current content in the *Replace with* field or select a value from the drop-down list, if available.

   Note: When searching picklist fields, you can select a value from the *Replace with* drop-down list or enter a value.

7. Do one of the following:
   - To search forward to the next field, click **Find Next**. Click **Replace** to update a field's content.
   - Click **Replace All** to update all fields. Click **OK** on the confirmation dialog.
8. Click **Close** to exit the *Find and Replace* dialog.

Customizing the Asset List View

Using the Asset List View

Click the **Asset List** tab to display a list of assets. Each asset appears on a separate row and contains information that can be arranged by column.

Customizing the Asset List View

The Asset List has several customizable features. You can sort the list by column; add, remove or rearrange the columns; create filters to narrow the list of displayed assets; and control the appearance of the Asset List grid.

- **Sort by column header**. Click the column that the Asset List should be sorted by. Click the column header to toggle between ascending and descending sorting order. An arrow (>) will display beside the column heading that is used to sort the asset list.
- **Column selection**. Use **Tools > Columns** or click **Columns** on the toolbar to select the columns that display on the Asset List. See *Adding, Removing, and Rearranging Asset List Columns* on the facing page for more information.
- **Change column width**. Change the width of a column by clicking the column header separator and dragging the mouse pointer left or right.
- **Asset filter**. Control the assets that display in the list by using system or customized filters based on criteria such as: tax schedule link, location, group, and general ledger account number. See *Creating a New Filter* on page 111 for more information.
- **Grid display preferences**. Use **Tools > Preferences** or click **Preferences** on the toolbar to change the line display in grids. See *Setting Preferences* on page 21 for details.

Asset List Status Codes

The Asset List can display up to 16 codes in the status column:

The column heading for the asset status column is an asterisk (*).

D	Disposed	IED	Incomplete exchange
DTE	Incomplete exchange transferred in	IEG	Group incomplete exchange
DTI	Disposed asset transferred in	S	Split
DTO	Disposed asset transferred out	STI	Asset is split after being transferred in
G	Group disposition	STO	Split asset transferred out
GTE	Group incomplete exchange transferred in	TI	Transferred in

GTI	Group disposed asset transferred in	TO	Transferred out
GTO	Group disposed asset transferred out	X	Inactive

Other Asset List Features

Right-click Menu

Right-click in the Asset List to display a menu of about 14 commands such as Copy Assets, Transfer Assets, Client Properties, Find and Replace, Go To, Copy Books, Split, Filters, and more. The items in this menu vary depending on an asset's status.

To Select Consecutive Assets in the Asset List

Click the first asset, hold down the **Shift** key, and click the last asset to select consecutive items.

To Select Non-consecutive Assets

Click the first asset, hold down the **Ctrl** key, and click additional assets to select non-consecutive items. Do not release the Ctrl key until all the desired assets are selected.

To Select All Assets in the Asset List

Select **Edit > Select All**.

Adding, Removing, and Rearranging Asset List Columns

(Tools > Columns)

In this section you will learn how to add, remove, and rearrange columns from the Asset List, as well as how to restore the default column settings. Please see the Notes at the end of this section for additional information regarding displaying columns including applying Global Settings.

Use the following procedure to change the columns that display and the order in which they display:

1. Display the *Columns* dialog using one of the following methods:
   - Select **Tools > Columns**.
   - Click **Columns** on the toolbar.
   - Right-click an asset in the Asset List and select **Columns**.
2. Open a client file.
3. Select a category according to the type of detail you want to display.

The following section describes the options in the *Columns* dialog.
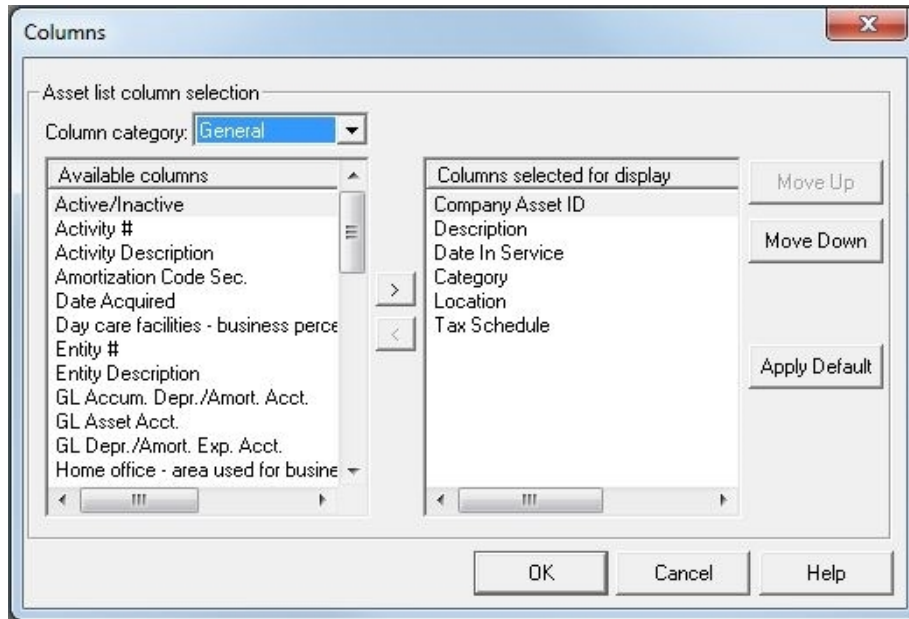
4. Change the columns configurations as needed.

- **Add columns**. Select one or more columns from the *Available columns* list and click the right arrow. You can also double-click or drag columns to add them to the *Columns selected for display* list.

- **Remove columns**. Select one or more items from the *Columns selected for display* list and click the left arrow. You can also double-click or drag columns to move them to the *Available columns* list.

  Use **Shift** or **Ctrl** to select multiple columns in either list.

- **Change the order of columns**. Select a column in the *Columns selected for display* list. Click **Move Up** or **Move Down**.

- **Restore defaults**. Click **Apply Default** to return the *Columns selected for display* to the original system-default list.

  Note: Some column descriptions start with an abbreviation of the book, for example, Fin = Financial, as in Fin. Adj. Basis. Other abbreviations include Fed, O1, O2, and O3 (for Federal, Other 1, Other 2, and Other 3).

5. Repeat steps 3 and 4 until columns for all desired categories are selected. A maximum of 26 columns may be selected for the Asset List display.

6. Click **OK** to save your changes and exit this dialog.

Notes:

- Column settings are client-specific.

- Changing the columns of the Asset List view will not affect the columns that print on the Asset List report. To change the report use **File > Print > Reports**, select **Asset List**, and click on **Properties**.
- If Global Settings for columns have been applied to this file and you have set *Prompt to apply updates* in Tools > Preferences, you are prompted to apply your changes to the Global Setting file. Click **Yes** to update the Global Setting file. Click **No** to save your changes without updating the Global Setting file.

Resizing Asset List Columns

Column settings are client-specific.

1. With the Asset List view active, position the cursor arrow over the left or right border of a column header.
2. Press and hold the left mouse button and move the cursor left or right to resize the column.
3. Release the mouse button when you have resized the column to the desired width.

Reapplying Default Asset List Column Settings

(Tools > Columns)

Column settings are client-specific.

1. Open a client file.
2. To display the *Columns* dialog, do one of the following:
   - Select **Tools > Columns**.
   - Click **Columns** on the toolbar.
3. Click the **Apply Default** button.
4. Click **OK** to save your changes and exit this dialog.

Overview of Using Filters

(Tools > Filters)

You can create and use filters to control the assets displayed in the Asset List view and on reports.

The Filter drop-down list, located on the toolbar, contains eight predefined filters that cannot be changed. However, they can be copied and changed to create new filters.

The predefined filters are as follows:

- All Assets
- Assets with Notes
- Current Acquisitions Not Placed in Service
- Current Year Acquisitions
- Current Year Dispositions
- Qualified Section 179 Property
- Section 168

Creating a New Filter

(Tools > Filters)

Filter settings are client-specific. User-defined filters display in brackets and can be edited. You cannot edit predefined filters, however you can copy them and change the definition of the new filter.

To create a filter, use the following procedure:

1. From the Asset List, choose one of the following to display the *Filter List* dialog:

   - Select **Tools > Filters**.
   - Click **Filters** on the toolbar.
   - Right-click an asset from the Asset List and select **Filters** from the menu.

2. Click **New**. The *Filter Editor* displays.

3. Enter the name for the new filter of up to 59 characters in the *Filter Name* field.

4. Create the first line of the condition that will control which assets are affected by this filter. The elements with which you can define a filter include the following:

- **Parenthesis**. Use the left and right parenthesis to connect multiple expressions.
- **Field name**. Use the drop-down list to select the general or detail field to be used. Fields are listed alphabetically with detail fields listed first and general fields listed last.
- **From book**. This field becomes available if the field name you choose is a detail field. Select the book from the drop-down list. You also have the option of applying the search conditions to any or all of the available books. Selecting **Any** returns results if one or more books matches the search criteria. If **All** is selected, each book must meet the applied search condition to return a result.
- **Condition**. Select an operand from the *Condition* drop-down list to use in the formula. Check box fields are limited to the operands = and <>.
- **Value**. This changes to match the field type of the *Field Name* selected.
  - ○ **Picklist**. If the field has a picklist associated with it (for example, Category field) the picklist displays in the *Value* field.
  - ○ **Date field**. If the field is a date field, the date entered must match the date format of the field you selected (for example, mm/dd/yyyy, mm/yyyy, or yyyy).
  - ○ **Numeric amount**. If the field is a numeric field, enter a numeric value according to the format of the field.

5. When you have completed the line, do one of the following:

- **Add to List**. Adds the line to the end of the formula list at the bottom section of the window.
- **Insert**. Adds the line directly above the highlighted line in the formula list.
- **Replace**. Deletes the existing line and replaces it with the newly defined formula.

6. You can continue adding lines to the formula list. To connect two consecutive lines, select the **And** or **Or** connector in the *Connect with previous* section.

7. You can also manipulate the filter lines by using the following buttons:

- **Modify**. To edit a line in an existing filter, see *Editing a Line in a Filter Formula* on the facing page.
- **Delete**. To delete a line in an existing filter, see *Removing a Line from a Filter Formula* on the facing page.
- **Clear All**. To clear all lines from an existing filter, see *Clearing a Filter's Entire Formula* on page 114.

8. Click **OK** to save your changes and exit this dialog.

Editing a Line in a Filter Formula

(Tools > Filters)

1. In an open client file, do one of the following:
    - Select **Tools > Filters**.
    - Click **Filters** on the toolbar.
    - Right-click an asset from the Asset List and select **Filters** from the menu.
2. Highlight a filter and click **Edit**.
3. Highlight a line in the formula and click **Modify** to display the line in the *Define filter* section of the dialog.
4. Make the desired changes using the *Define Filter* options. Do one of the following:
    - Click **Add to List** to insert the line into the bottom section of the window. If this is not the first line, it is added to the end of the formula list.
    - Click **Insert** to add the line directly above the highlighted line.
    - Click **Replace** to delete the existing line and replace it with the newly defined formula.
5. Click **OK** to save your changes and exit this dialog.

Removing a Line from a Filter Formula

(Tools > Filters)

Use the following procedure to remove a line from a filter formula:

1. In an open client file, do one of the following:
    - Select **Tools > Filters**.
    - Click **Filters** on the toolbar.
    - Right-click an asset from the Asset List and select **Filters** from the menu.
2. Highlight a filter and click **Edit**.
3. Highlight a line in the formula and click **Delete**.
4. Click **OK** to save your changes and exit this dialog.

Clearing a Filter's Entire Formula

(Tools > Filters)

Use this procedure to replace the existing filter conditions. If you want to delete the entire filter, see *Deleting a Filter* below.

1. In an open client file, do one of the following:
   - Select **Tools > Filters**.
   - Select **Filters** on the toolbar.
   - Right-click an asset from the Asset List and select **Filters** from the menu.
2. Highlight a filter and click **Edit**.
3. Highlight a line in the formula and click **Clear All**. A confirmation dialog displays.
4. Click **Yes** to delete all lines in the formula.
5. Define a new formula for the filter.
6. Click **OK** to save your changes and exit this dialog.

Renaming a Filter

(Tools > Filters)

1. In an open client file, do one of the following:
   - Select **Tools > Filters**.
   - Click **Filters** on the toolbar.
   - Right-click an asset from the Asset List and select **Filters** from the menu.
2. Select an existing filter and click **Rename**.
3. Enter a new name.
4. Click **OK**.

Deleting a Filter

(Tools > Filters)

1. In an open client file, do one of the following:
   - Select **Tools > Filters**.
   - Click **Filters** on the toolbar.
   - Right-click an asset from the Asset List and select **Filters** from the menu.
2. Select an existing filter.
3. Click **Delete**. A confirmation dialog displays.

4. Click **Yes**.

5. Click **Close**.

Using the Calculator

(Tools > Calculator)

CCH ProSystem *fx* Fixed Assets provides a calculator for standard mathematical functions. The calculated total can be transferred automatically to input fields in the Depreciation Detail grid.

1. To display the Calculator, do one of the following:

   - Select **Tools > Calculator**.
   - Click **Calculator** on the toolbar.

2. Enter your calculation using the keyboard or mouse.

3. Click the input field that you want the results applied to. The *Apply* button becomes active.

4. Click **Apply**. The results populate the input field.

Deleting Assets

(Assets > Delete)

When deleting one or more assets, the remaining assets in the list are not renumbered.

Deleting a Single Asset

1. To delete an asset, do one of the following:

   - Highlight the asset and select **Assets > Delete**.
   - Click **Delete Asset** on the toolbar.
   - Press **Ctrl + D**.
   - Right-click the asset and select **Delete** from the menu.

2. A confirmation dialog displays. Click **Yes**.

Deleting Multiple Assets

1. To delete multiple assets, do one of the following:

   - Select the **Asset List** tab.
   - Click the first file, hold down the **Shift** key, and click the last file to select adjacent items.
   - Click the first file, hold down the **Ctrl** key, and click additional files to select nonadjacent items. Do not release the **Ctrl** key until all files are selected.
   - Select **Assets > Delete**.

■ Click **Delete Asset** on the toolbar.

2. A confirmation dialog displays. Click **Yes**.

Transferring Assets between Files

(File > Transfer Assets)

Consider the following circumstances that prevent the transferring of assets or generate an exception report:

- Transferring assets is available only if a year is unlocked.
- The source and target data files must share the same current Calendar or Fiscal year.
- If differences in the beginning and ending prior year calendar dates exist in the source and target data files.
- If an asset selected to be transferred is part of a group disposition, partial disposition, or a like-kind exchange, all assets involved in that particular disposition must be transferred simultaneously. If any of the assets from the disposition are missing, none of the assets from the disposition are transferred and an entry in an exception report is generated.

Use the following procedure to transfer assets between client files:

1. Open the client file you want to transfer assets to.
2. From the Asset List, choose one of the following to display a list of client files:

    ■ Select **File > Transfer Assets**.
    ■ Click **Transfer Assets** on the toolbar.
    ■ Right-click an asset and select **Transfer Assets** from the menu.

3. Select the client file you want to transfer assets from and click **OK**. If needed, click **Browse** to display files in another folder.
4. On the *Transfer Assets from* dialog, select the assets to be transferred and click **OK**.

    If no exceptions occur, you are returned to the Asset List. If problems are encountered, you are prompted to view the details on the exceptions report.

    If assets being transferred are associated with tax links that do not exist in the target file, you are prompted to re-link the assets to a different link or entity.

    If no tax link is chosen when you are prompted to re-link assets, the asset is assigned to the default tax link of the target file and an exception is issued.

5. Do one of the following to re-link assets:

    ■ **Assign assets to the new client type's existing links**. Select an entity/activity from the *Re-link Assets* dialog and click **OK**.
    ■ **Create a new tax link**. Click **New** on the *Re-link Assets* dialog. The *Tax Schedule Link List* dialog displays. See *Adding a New Entity* on page 82 for instructions on adding a new tax link.

6. When you have completed adding links, click **OK**. You are returned to the *Re-link Assets* dialog, displaying the new customized links.

   Note: The *Re-Link Assets* dialog displays for each entity/activity that does not exist in the new client type. If no tax link is chosen, the asset is assigned to the default tax link of the target file.

7. Select an entity/activity and click **OK**. When assets associated with entities/activities in the originating file have been re-linked, you are returned to the Asset List.

Transferred Asset Status Codes

There are 10 status codes that indicate a transferred asset:

The column heading for the asset status column is an asterisk (*).

DTE	Incomplete exchange transferred in	GTO	Group disposed asset transferred out
DTI	Disposed asset transferred in	STI	Asset is split after being transferred in
DTO	Disposed asset transferred out	STO	Split asset transferred out
GTE	Group incomplete exchange transferred in	TI	Transferred in
GTI	Group disposed asset transferred in	TO	Transferred out

Points to Remember when Transferring Assets:

- After the transfer, current year section 179 and conventions are recalculated in both the target and source files.
- Transferred assets only display in the year of the transfer and subsequent years in the target file.
- The source file displays transferred assets in the years prior to the year of the transfer, and during the year of transfer.
- Transferred asset detail in system-provided fields such as Category, Location, and GL asset are appended to the corresponding fields in the destination client file.
- When transferring assets with detail contained in user-defined fields, CCH ProSystem *fx* Fixed Assets appends the new information to any user-defined field in the target file using the same name. If no matches are found and there is an unused user-defined field, the system copies over the field name and associated asset detail values.
- The transferred asset is assigned its original system number, if available. If the system number is already in use, the next available system number is used.

Copying Assets between Files

(File > Copy Assets)

The File > Copy Assets option is only available from the Asset List view.

Consider the following circumstances that prevent the copying of assets or generate an exception report:

- Copying assets is only available if a year is unlocked.
- If differences in the beginning and ending prior year calendar dates exist in the source and target data files, each asset is analyzed to determine if the differences in the dates will result in dissimilarities between the depreciation of the assets. If the differences between the dates are significant enough to change the assets, an exception report is generated.
- If an asset selected to be copied is part of a group disposition, partial disposition, or a like-kind exchange, all assets involved in that particular disposition must be copied simultaneously. If any of the assets from the disposition are missing, none of the assets from the disposition are copied and an entry in an exception report is generated.

To copy assets, do the following:

1. Open the client data file to which you want to copy in assets.
2. From the Asset List, choose one of the following to display a list of client files:
   - Select **File > Copy Assets**.
   - Click **Copy Assets** on the toolbar.
   - Right-click an asset from the Asset List and select **Copy Assets** from the menu.
3. Select the file to copy out assets. Click **Browse** to display data files in another folder.
4. Click **OK**. The *Copy Assets from* dialog displays.

   Note: The source and target data files must share the same current Calendar or Fiscal year.

5. Select the assets to be copied and click **OK**. If no exceptions occur, you are returned to the Asset List. If exceptions occur, you are prompted to view the details of the exceptions.
6. If assets being copied are associated with tax links that do not exist in the target file, you are prompted to re-link each asset to a different link or entity.
   a. Do one of the following to re-link assets:
      - **Assign assets to the new client type's existing links**. Select an entity/activity from the *Re-link Assets* dialog and click **OK**.
      - **Create a new tax link**. Click **New** on the *Re-link Assets* dialog. The *Tax Schedule Link List* dialog displays. See *Adding a New Entity* on page 82 for instructions on adding new Tax links.

b. When you have completed adding links, click **OK**. You are returned to the *Re-link Assets* dialog, which displays the customized links. Select an entity/activity and click **OK**.

> **Note**: The Re-link Assets dialog displays for each entity/activity that does not exist in the new client type. If no tax link is chosen, the asset is assigned to the default tax link of the target file.

c. Once assets associated with entities/activities in the source data file are re-linked, you are returned to the Asset List.

Points to Remember:

- After assets have been copied, current year section 179, investment tax credits and conventions are recalculated in the target file.
- Copied asset detail in system-provided fields such as Category, Location, and GL asset are appended to the corresponding fields in the destination client file.
- When copying assets with detail contained in user-defined fields, CCH ProSystem *fx* Fixed Assets appends the new information to any user-defined field in the target file using the same name. If no matches are found and there is an unused user-defined field, the system copies over the field name and associated asset detail values.
- Copied assets are assigned the same system number, if available. If the system number is already in use, the next system number is used.
- Once an asset is copied from one file to another, there is no further connection between the two files. If you copy the asset back to the original source file, it is treated as a newly copied asset. There is no connection to the asset that was originally copied to the destination file.

Splitting Assets

(Assets > Split)

Splitting assets is only available if a year is unlocked.

Use the following procedure to divide a single asset into multiple assets:

1. Choose one of the following methods to display the *Split Asset Based on Federal Cost or Other Basis* dialog:
   - Select **Assets > Split**.
   - Click **Split Asset** on the toolbar.
   - Right-click and select **Split** from the menu.
2. In the *Split into* field, enter the number of assets you want to divide the selected asset into and press the **Tab** key. The assets generated from the split display in the *Allocation* list.
3. If you want to modify a listed Asset's ID, Description, or Cost/Basis or Allocated Percent amounts highlight the asset and click **Edit**.
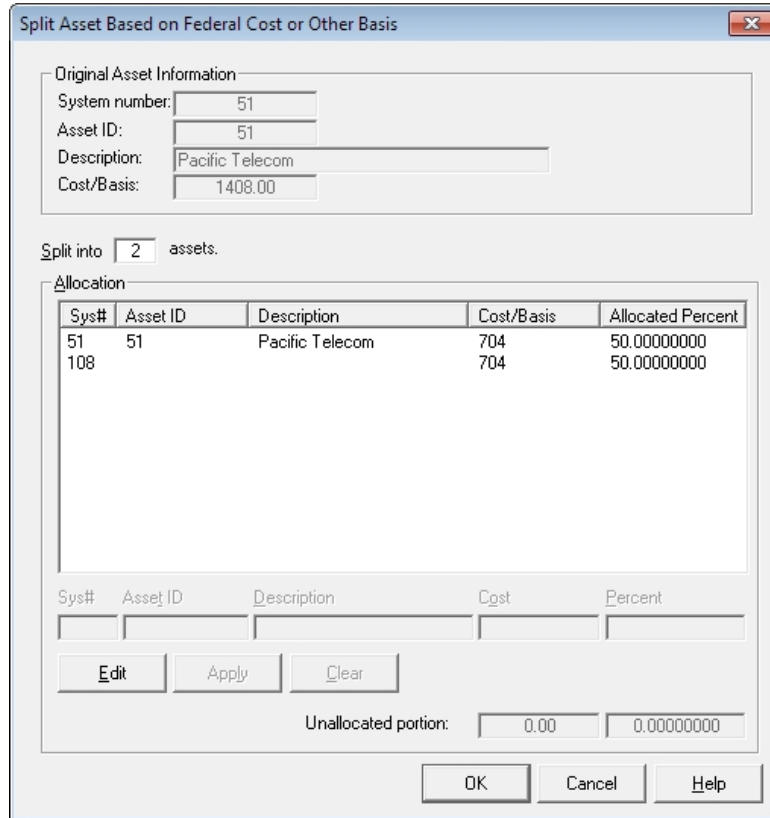
> **Note**: An asset's system number cannot be edited.

4. Make the necessary modifications.

    📝 **Note**: 100% of the original asset's cost must be allocated. The unallocated cost amounts or percentages display in the *Unallocated portion* fields.

    This is an example of the *Split Asset Based on Federal Cost or Other Basis* dialog:

5. Click **Apply** to save your changes or **Clear** to abandon your modifications.
6. Click **OK**.

📝 **Notes**:

- To restore split assets to the single originating asset, select **Assets > Undo Split** or click **Undo Split** on the toolbar from the Asset List.
- The Asset List displays an *S* in the status column for all assets involved in a split unless the asset is transferred.
  - If the asset is transferred out of the file, the status column displays *STO*.
  - If the asset is split after being transferred into a file, the status column displays *STI*.

Undo Split

To combine split assets into the single originating asset, select **Assets > Undo Split** or click Undo Split on the toolbar from the Asset List.

The Undo Split feature is only available if the year of the split is unlocked.

Tracking Assets

The *Asset Tracking* tab displays in the CCH ProSystem *fx* Fixed Assets window when a selected asset is involved with a like-kind exchange, split, or partial disposition. This tab lists information about previous activity, allowing you to quickly identify the other assets involved in each event.

Selected Asset Information

The following information is listed for the selected asset:

- **System Number**. Assigned by the CCH ProSystem *fx* Fixed Assets system, it cannot be edited.
- **Asset ID**. Numbering scheme selected by the user. It is not mandatory and can be changed at any time.
- **Description**. The description entered on the *Detail* tab.

Event Selection

Select the event and event number to display detail about the other assets involved with the event.

- **Event**. The applicable event for the selected asset. If more than one event is associated with an asset, the event that is first alphabetically is selected. If multiple events apply, select from the following options to display a different event:
  - Like-kind exchange
  - Partial disposition
  - Split
- **Sale/Split Number**. The exchange number for a like-kind exchange, the sale number for a partial disposition, and the split number for a split. The latest number displays for the selected event. If multiple numbers apply, select from the list to display a different number.
- **Date of Disposition**. The date of the selected like-kind exchange or partial disposition. This field is blank for split events.

Event Detail

The following information about the assets involved with the selected event is listed:

- **Sys#**. The system number.
- **Asset ID**.

- **Role**. The following values display:
  - *Original*, *Continuation*, *New*, or *GAAP* for like-kind exchange assets.
  - *Disposed* for partial disposition assets that have the disposed portion.
  - *Original* for parent (original) assets involved in a split.

  This column is blank for all other assets.
- **Description**. The description entered on the *Detail* tab.
- **Additional Splits**. *Yes* displays in this column when an asset is involved in additional splits other than the one shown.
- **Additional Partials**. *Yes* displays in this column when an asset is involved in additional partial dispositions other than the one shown.
- **Additional Exchanges**. *Yes* displays in this column when an asset is involved in additional exchanges other than the one shown.

Notes:

- When the partial disposition or split event is selected, the parent (original) asset is listed first, followed by the child assets.
- The *Asset Tracking* tab will not display when a selected asset has either of the following conditions, unless that asset is involved in another eligible event:
  - A split occurs after a locked year and the client reverses to the locked year. The *Asset Tracking* tab will not display unless the asset is involved in a like-kind exchange or partial disposition. Additionally, it will not appear for other assets in the Asset Tracking split detail.
  - A year is reversed to a year prior to a disposition. The *Asset Tracking* tab will not display unless the asset is involved in a like-kind exchange or split. Additionally, it will not appear for other assets in the Asset Tracking partial disposition detail.

Chapter 5

MANAGING ASSET DISPOSITION

CCH ProSystem *fx* Fixed Assets computes gains and losses on the disposition of an asset. You can create group or mass dispositions and generate a fileable Form 4797.

Creating an Asset Disposition

The Asset List displays a *D* in the status column for all single disposed assets.

If a group disposition is allocated, the allocated amounts will display in the disposition grid of the Disposition tab. If the disposition columns are selected for display, the allocated amounts will also display on the Asset List.

To enter an asset disposition, use the following procedure:

1. Select the asset that you will add a disposition to.
2. Click the **Disposition** tab. See *Disposition Detail Input Fields* on the next page for more information.
3. Enter information in the top pane.
4. If the *Type of disposition* is Installment or Exchange, click **Related Party** to enter related party information.
5. Enter information in the Disposition Detail grid (in the bottom pane), as required.

   Notes:

   - If an asset is a member of a group disposition, only the general disposition information in the upper pane is visible and the disposition grid is unavailable unless it is allocated.
   - If the type of disposition is an Exchange and no continuation asset(s) exist, the status will display as *IED - Incomplete Exchange*. Once the continuation asset(s) have been created through the "Exchange Asset(s)" button, the status will display as *D*.

Changing an Asset Disposition

To change an asset's disposition information, select the asset, click the **Disposition** tab, and make your changes.

Note: When you change disposition type, CCH ProSystem *fx* Fixed Assets warns you that any related disposition input will be removed from the system.

Disposition Detail Input Fields

The following section describes the input fields in the top section of the *Disposition* tab.

- **Type of disposition**. Select a type of disposition from the drop-down list.
    - Abandonment
    - Casualty
    - Exchange
    - Installment sale
    - Out of Service
    - Retirement
    - Sale
- **Date of disposition**. Enter the date of the disposition.
- **Property code**. Select a property code. These are also used in CCH ProSystem *fx* Tax.
- **Sale number**. This is a required field and must be unique in order for data to transfer correctly to the CCH ProSystem *fx* Tax system. CCH ProSystem *fx* Fixed Assets automatically issues the next available sale number. You can override the system-assigned number as long as your number is not currently in use by another disposition.

- **Gross sales price**. Enter the gross sales price. Negative numbers are not allowed. This field is not available for exchanges. For installment sales, CCH ProSystem *fx* Fixed Assets uses this field to compute the remaining balance.

- **Disposition expense**. Enter the disposition expense. Negative numbers are not allowed.

- **Proceeds on Form 1099-S**. For real property, CCH ProSystem *fx* Fixed Assets calculates the amount from the Gross Proceeds. You can change the calculated amount. Negative numbers are not allowed, and zero is a valid entry. This is used for calculating the total line on Form 4797.

- **Term code**. Select the term code.

Related Party

The dialog that displays when *Related party* is clicked depends on the type of disposition: *Installment* or *Exchange*.

The *Installment Sales* dialog is shown here.

The following fields appear on the *Installment Sales* dialog:

- Name
- Address
- City, state, ZIP code
- Selling price of property if resold by related party
- Date related party sold property
- Date final installment received from related party
- Exception to related party rules
    - Property sold to related party was marketable securities
    - First disposition was a sale or exchange of stock to the issuing corporation

- Second disposition was an involuntary conversion where the threat occurred after first disposition
- Second disposition was after the death of the holder
- Tax avoidance was NOT the principal purpose for either of the dispositions
- Explanation of tax avoidance

For exchange dispositions, the *Exchange* dialog displays when you click *Related Party*.

The *Exchange* dialog is shown here.

The following fields appear on the *Exchange* dialog:

- Relationship
- Name
- Identifying number
- Address
- City, state, ZIP code
- Related party exception
    - The disposition was an involuntary conversion
    - The disposition was after the death of either of the related parties
    - Tax avoidance was NOT the principal purpose for the disposition
- Explanation
- During the tax year, the related party disposed of the like-kind property it received
- During the tax year, the taxpayer disposed of the like-kind property received
- Exchange occurred last year

Disposition Grid

Most fields in the Disposition grid are calculated and cannot be edited. You can enter values if a field has a white background. Bold entries indicate totals and pink entries indicate overrides.

Disposing of an Asset Using Like-kind Exchange

The following steps explain how to dispose of an asset using a like-kind exchange. Once these steps are completed, one or two assets are added to your Asset List. A Continuation asset is created and, if there is a gain recognized on the sale or boot is paid during the exchange, a new asset is added to the list. You can also create a Like-kind Exchange for group dispositions. See *Creating a Group Disposition using Like-Kind Exchange* on page 133.

⚠️ **Points to Remember**:

- Continuation assets have the same basic information and depreciation detail as the original asset. The prior depreciation is the sum of the current and prior depreciation of the disposed asset. The current depreciation for the year of the sale is calculated as if the date acquired was the date sold. The subsequent year's depreciation is calculated as if there was no exchange.

  📒 **Note**: If you exchange an asset in the year acquired on old law assets , the current depreciation of the parent asset will display on the detail grid. This section will only show up if the exchange occurred in the year acquired.

- If a new asset is generated by the exchange, it has the same Date Acquired as the original asset's Date of Disposition and initially has the same depreciation detail as the disposed asset. If the original asset's Type of Property, Method, and Life values are not applicable to the new asset's Date in Service, appropriate values are assigned by the system.
- The Asset List displays a *D* in the status column for all exchanged assets that are disposed.
- The Asset List displays *IED* in the status column if the type of disposition is an Exchange and no continuation asset(s) exist (as created in the final step below).

To dispose of an asset through a like-kind exchange, use the following procedure:

1. Select an asset to exchange.
2. Click the **Disposition** tab.
3. Select **Exchange** from the *Type of disposition* drop-down list.
4. Enter a date in the *Date of disposition* field.
5. Enter an amount in the *FMV for like-property received* field in the *Disposition* Grid.

6. Click **Exchange Asset(s)** to display the *Like-kind Exchange* dialog.

If the date of the exchange is prior to March 1, 2004, a message displays giving the option to apply new like-kind exchange rules. Click **Yes** or **No**.

> **Note**: The fields in the *New Assets* section of the *Like-Kind Exchange* dialog are disabled unless there is a recognized gain on the sale or there is a boot paid in the exchange and the amount is entered in the *Cash paid to other party* field.

7. Edit the contents of the *Asset ID* and *Description* fields as needed for both the Continuation and New assets.

> **Note**: With the *Elect Section 1.168(i)-6T(i)* selected, the adjusted basis of the new asset is the remaining basis of the exchanged asset plus the amount of the boot. The election prints at the top of Form 4562.

8. Clear the **Elect Section 1.168(i)-6t(i)** check box to separate the continuation and boot asset

> **Note**: The adjusted basis of the new asset is the remaining basis of the exchanged asset plus the amount of boot.

9. Click **OK**.

GAAP

- On the *Book Setup* tab in Client Properties, you can elect to use GAAP rules in the Financial book for like-kind exchanges. The *FMV of like-property given* field will then allow an entry in the Financial column.

> **Note**: This election must be made prior to completing the last step above.

- Under the basic principle, the gain or loss will be fully recognized in the financial book.

- When calculating using the exception to the basic principle, if the FMV of the asset surrendered is less than the adjusted basis of the asset surrendered then the cost of the "New asset" will be the FMV of the asset surrendered plus any cash paid less any cash received. If the FMV of the asset surrendered is greater than the adjusted basis of the asset surrendered, the cost of the "New asset" will be the adjusted basis of the asset surrendered plus any cash paid less any cash received plus recognized gain.

- Under the exception to the basic principle, any loss will be recognized. If the exchange results in a gain, only the portion of the gain that is attributable to cash received is recognized. If there is no cash received, the entire gain is deferred. When there is cash received, the recognized gain equals the realized gain multiplied by the cash proportion, where the cash proportion is derived by dividing the cash received by the sum of the cash received and the FMV of the asset received.

Creating a Partial Disposition

Use the following procedure to sell a portion of an asset while continuing to depreciate its remaining value. After completing this task, a second asset is created containing information for the disposed portion of the original asset. Adjustments are made to the remaining Cost or other basis, Section 179, and ITC book values in the original asset.

To create a partial disposition, do the following:

1. Select the asset you want to dispose a partial amount from.
2. Click the **Disposition** tab.
3. Select **Sale**, **Retirement**, **Out of Service**, **Installment**, **Exchange**, **Casualty**, or **Abandonment** from the *Type of disposition* drop-down list.
4. Enter a date in the *Date of disposition* field and click **Partial disposition**.

The *Partial Disposition Information for Disposed Portion of Asset* dialog displays.

5. The *Asset ID* and *Description* fields contain information from the original asset. Edit these fields as needed.

6. To adjust the book amounts for Cost or other basis, ITC, or Section 179, do one of the following:

    ▪ Select either the **Percent disposed** or **Amount disposed** radio button and enter the appropriate value. You can only enter whole numbers between zero and 100 in the *Percent disposed* field. The Cost or other basis, ITC, or Section 179 book values are adjusted accordingly.

    ▪ Edit the Cost or other basis, ITC, or Section 179 amounts on a book-by-book basis.

    📝 Note: For disposing of only one book, do one of the following:

        ▪ To dispose of only one book, enter a zero for any book not being disposed.

        ▪ To partially dispose one book, enter a zero in the books that are staying and adjust the cost of the book for the portion that is being disposed.

7. Click **OK**.

    📝 Notes:

    ▪ If you click OK without editing any values, you are prompted to fully dispose of the original asset.

    ▪ The Asset List displays a *D* in the status column for all single disposed assets.

Changing an Asset Disposition

To change an asset's disposition information, select the asset, click the **Disposition** tab, and then make your changes.

Note: When you change the disposition type, CCH ProSystem *fx* Fixed Assets warns you that any related disposition input will be removed from the system.

Removing an Asset Disposition

(Assets > Remove Disposition)

The *Remove Disposition* option is only available if a year is unlocked.

Warning! When removing a disposition used in a like-kind exchange, the assets that were generated from the exchange are deleted and the current year depreciation amounts are recomputed for the originally disposed asset.

To remove an asset disposition, do the following:

1. Select the asset containing the disposition you want removed.

    Note: If the selected asset is a partial disposition, it is deleted when removed. The Cost or other basis, ITC, or Section 179 book values are re-combined with the original asset's values and re-computed.

2. Do one of the following:

    - Select **Assets > Remove Disposition**.
    - Click **Disposition Menu** and select **Remove Disposition**.

3. CCH ProSystem *fx* Fixed Assets asks you to confirm that you want to remove the disposition and recalculate the depreciation amounts for the current year. Click **Yes** to continue.

Overview of Processing Group Dispositions

(Assets > Group Disposition)

CCH ProSystem *fx* Fixed Assets allows you to dispose of multiple assets in groups. In this section, you will learn how to create, edit, and delete group dispositions. When grouping assets for disposition, keep the following in mind:

- All assets must share the same disposition information
- All assets should be of the same sale number, type, and holding period

Grouping Assets for Disposition

To begin the group disposition process, use the following procedure:

1. Select the assets to be grouped using the multi-select feature.

   Note: The Edit > Select All menu option can also be used to select all assets in the list for group disposition.

2. Do one of the following to display the *Group Disposition List* dialog:
   - Select **Assets > Group Disposition**.
   - Click **Disposition Menu** and select **Group Disposition**.

3. Click **New**. The *Group Disposition* tab displays with the selected assets in the Asset list.

4. Enter the overall description of the sale in the *Description* field. The group description entered appears in the Group Disposition List, on the Form 4797, and in disposition statements. If no description is entered, the system inserts *Group sale #xx* (xx=sale number).

   Note: The description is also transferred to either the D-1 or D-2 forms in a CCH ProSystem *fx* Tax or CCH Global *fx* Tax return.

5. Add or Remove Assets from the *Assets selected for disposition* list box.
   - **Adding Assets**. Select one or more assets and click **Add**. Click **Add All** to select all the available assets for disposition.
   - **Removing Assets**. Select one or more assets and click **Remove**. Click **Remove All** to delete all assets from the Disposition list.

6. All assets in the *Assets Selected for Disposition* list are used in the gain/loss computation when the Type of disposition has been entered. When enough information has been entered to calculate the gain/loss, then each asset included is marked as disposed in the Asset List. The information is saved when you leave the *Group Disposition* tab.

Notes:

- This *Group Disposition* tab looks the same as the regular disposition tab for an individual asset but the pane from the asset *Detail* tab is replaced with the group disposition description and asset selection list boxes.

- If the group disposition is allocated, the allocated amounts will display in the disposition grid of the Disposition tab. If the disposition columns are selected for display, the allocated amounts will also display on the Asset List.

- The asset List displays a *G* in the status column for all group disposition assets.

- The Asset List displays *IEG* in the status column if the type of disposition is an Exchange and no continuation asset(s) exist (as created in the final step below).

Creating a Group Disposition using Like-Kind Exchange

(Assets > Group Disposition)

Refer to *Disposing of an Asset Using Like-kind Exchange* on page 127 for a list of points to remember when creating a group disposition.

1. Select the assets to be grouped in the exchange using the multi-select feature.

2. To display the *Group Disposition List* dialog, do one of the following:
   - Select **Assets > Group Disposition**.
   - Click **Disposition Menu** and select **Group Disposition**.

3. Click **New**. The *Group Disposition* tab displays with the selected assets in the Asset list box.

4. Enter the overall description in the *Description* field.

5. Add or Remove assets from the *Assets selected for disposition* list box.

6. Select **Exchange** from the *Type of disposition* drop-down list.

7. Enter a date in the *Date of disposition* field.

8. Enter an amount in the *FMV for like-property received* field in the Group Disposition Grid.

9. Enter an amount in the *Disposition expense* field, if desired.

10. Click **Exchange Asset(s)**. The *Group Like-kind Exchange* dialog displays.

Note: If the date of the exchange is prior to March 1, 2004, a message displays giving the option to apply new like-kind exchange rules. Click **Yes** or **No**.

11. Edit the contents of the *Asset ID* and *Description* fields as needed for both the Continuation and New Assets.

    📝 Note: Clear the Elect Section 1.168(i)-6T(i) check box to separate the continuation and boot asset.

12. With the **Elect Section 1.168(i)-6t(i)** selected, the adjusted basis of the new asset is the remaining basis of the exchanged asset plus the amount of the boot. The election prints at the top of Form 4562.

13. Click **OK**.

    📝 Note: The Asset List displays a *G* in the status column for all group dispositions. If this step is not completed, the Asset List will display *IEG* in the status column.

GAAP

- On the *Book Setup* tab in Client Properties, you can elect to use GAAP rules in the Financial book for like-kind exchanges. The *FMV of like-property given* field will then allow an entry in the Financial column.

    📝 Note: This election must be made prior to completing the last step above.

- Under the basic principle, the gain or loss will be fully recognized in the financial book.

- When calculating using the exception to the basic principle, if the FMV of the asset surrendered is less than the adjusted basis of the asset surrendered then the cost of the "New asset" will be the FMV of the asset surrendered plus any cash paid less any cash received. If the FMV of the asset surrendered is greater than the adjusted basis of the asset surrendered, the cost of the "New asset" will be the adjusted basis of the asset surrendered plus any cash paid less any cash received plus recognized gain.

- Under the exception to the basic principle, any loss will be recognized. If the exchange results in a gain, only the portion of the gain that is attributable to cash received is recognized. If there is no cash received, the entire gain is deferred. When there is cash received, the recognized gain equals the realized gain multiplied by the cash proportion, where the cash proportion is derived by dividing the cash received by the sum of the cash received and the FMV of the asset received.

Editing a Group Disposition

(Assets > Group Disposition)

To edit a group disposition, do the following:

1. Click the **Asset List** tab.
2. To display the The *Group Disposition List* dialog, do one of the following:
   - Select **Assets > Group Disposition**.
   - Click **Disposition Menu** and select **Group Disposition**.
3. Select a group disposition and click **Edit**.
4. Make the necessary changes. The system recalculates the disposition information and saves your changes when you leave the *Group Disposition* tab.

Deleting a Group Disposition

(Assets > Group Disposition)

To delete a group disposition, do the following:

1. Click the **Asset List** tab.
2. Choose **Assets > Group Disposition** on the toolbar.
3. Select the disposition from the *Group Disposition* list.
4. Click **Delete**.

Note: You can select *Asset > Remove Disposition* while editing a group disposition in the *Group Disposition* tab. The group disposition is deleted and the *Group Disposition* tab closes. You are returned to the Asset List.

Allocating a Group Disposition

(Assets > Group Disposition)

The option to allocate a portion of the gain (loss) to each asset in a group disposition is available on the Group Disposition tab after the minimum required sale information has been entered (Type of Disposition and Date of Disposition). This allocation is reflected on reports.

The Asset List displays a *G* in the status column for all group dispositions.

Note: If the group disposition is allocated, the allocated amounts will display in the disposition grid of the Disposition tab. If the disposition columns are selected for display, the allocated amounts will also display on the Asset List.

To allocate a portion of a gain (loss) to each asset in a group disposition, do the following:

1. Select the assets to be grouped in the disposition using the multi-select feature.
2. To display the *Group Disposition List* dialog, do one of the following:
   - Select **Assets > Group Disposition**.
   - Click **Disposition Menu** and select **Group Disposition**.
   - Right click an asset and select **Group Disposition**.
3. Click **New**. The *Group Disposition* tab displays with the selected assets in the *Asset list* box.
4. Enter the overall description in the *Description* field.
5. Add or remove assets from the *Assets selected for disposition* list box.
6. Select the disposition type from the *Type of Disposition* drop-down list.
7. Enter a date in the *Date of Disposition* field.
8. Click the **Allocate** button. The *Allocate Portion of Gain (Loss) to Each Asset* dialog displays.
9. You can display a different book by selecting it from the *Book* drop-down list. Only active books appear in the drop-down list.

   The allocated percent for each asset defaults to the cost for each asset over the total cost for the assets included in the group disposition.
10. Select an asset from the *Allocation* list.
11. Click **Edit**.
12. Enter the percent of the asset to allocate in the *Percent to allocate* field.
13. Click **Apply**. When the allocated percent is applied, the *Percent unallocated* is recalculated.

    When the allocated percent is applied to the Federal book, you receive a message. The message displays each book with an allocation percentage matching the Federal percentage before the change is included.
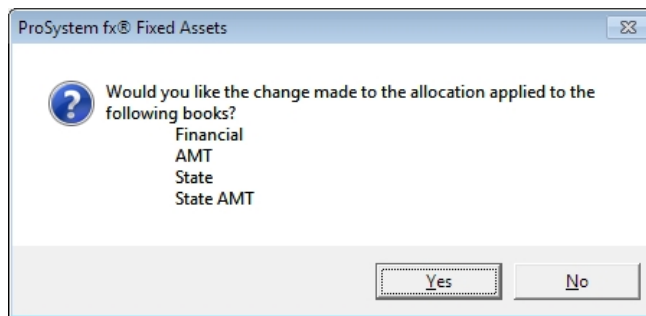
At this time, you may also apply percentages allocated to the remaining active books.
14. Allocate any percentage that is unallocated.
15. Click **OK**.

    There is an option available to disable the allocation. When the *Disable allocation* check box is selected, the assets do not display an allocation in the *Disposition* tab or the Disposition report. The modifications to the allocation percentages are not retained. If the allocation is enabled, the allocation percentages are recalculated to the default amount.

> **Note**: You can select **Always allocate portion of gain/loss to each asset** on the *Preferences* dialog to automatically allocate gain/loss amounts to individual assets involved in group dispositions.

Adding/Removing Assets from the Group Disposition

When assets are added or removed from the group disposition, the allocation percentages are adjusted automatically as long as some of the assets have the default allocation. If all of the assets have the default allocation, the allocation for each asset is recalculated based on each asset's cost versus the total cost for the assets in the group disposition. If only a portion of the assets has the default allocation, the allocation is recalculated for only those assets with the default allocation.

If all of the original assets have modified percentages, the newly added assets have allocation percentages of zero.

If all of the original assets have modified percentages and an asset is removed, the percentages are not recalculated. At that point, the total allocation percentage is less than 100%. The allocation percentages need to be modified to adjust the total allocation percentage back to 100%.

Using the Disposition Tab

An asset involved in a group disposition that has been allocated displays the asset's allocated amounts on the bottom pane of the Disposition tab. In addition to the items that normally display in the Disposition tab, the first item in the bottom pane is the applicable allocation percentage; the allocated gross sales price is also included in this pane.

Adding/Removing Books

When a book is added, the new book assumes the default allocation percentage for that book unless the allocation percentage has been modified and applied to all books. If the allocation percentages have been modified, but are different for each book, the newly added book assumes the default percentages.

Report Changes

When an allocation has been made to each allocated asset in a group disposition, the report reflects the new allocated amounts. Otherwise, the totals are assigned to the first asset added to the group and the remaining assets in the group are cleared.

Creating Prior Year Dispositions

You can enter dates on the *Disposition* tab for dispositions that have occurred prior to the initial year and after the entity start date. This section details the effects of creating prior year dispositions on like-kind exchanges, partial dispositions, and importing and exporting disposition data.

General Dispositions

The gain or loss from a prior year disposition is based on the cost or other basis, the entered accumulated and current depreciation, and the gross sale price of the disposition. This value is displayed on the *Disposition* tab.

Like-Kind Exchange (Exchange Assets)

When information for a like-kind exchange is entered for a year prior to the current year, *Continuation asset system no.* and *Boot asset system no.* fields display in the *Disposition* tab. A continuation asset as well as a boot asset must be linked on the *Disposition* tab. If the date of the exchange is prior to March 1, 2004, an *Apply new calculation rules* field displays in the *Disposition* tab giving the option to apply new like-kind exchange rules.

The statement "Asset sold in prior year" displays at the top of the *Detail* and *Disposition* tabs in the exchanged asset.

Note: The Boot and Continuation assets cannot be deleted unless the disposition is removed.

Partial Disposition

CCH ProSystem *fx* Fixed Assets does not allow entry of partial disposition information prior to the year of sale.

Importing and Exporting Disposition Data

Prior year disposition information cannot be imported from CCH ProSystem *fx* Tax because Tax assumes the sale is in the current year. Prior year disposition information can be imported from other FAM products. See *Overview of Importing Data from Other FAM Products* on page 176 for a list of products supported for data import.

Prior year disposition information cannot be exported into Tax.

Creating Future Year Dispositions

You can enter dates on the *Disposition* tab for dispositions that will occur beyond the current year. This section details the effects of creating future dispositions on like-kind exchanges, partial dispositions, and importing and exporting disposition data.

General Dispositions

The gain or loss from a future disposition is calculated based on the depreciation projected out to the date of the disposition. This value is displayed on the *Disposition* tab.

The projected depreciation for the year of the sale is displayed in the *Current Depreciation* line of the *Disposition* tab. The remaining depreciation will display on the *Disposition* tab in the *Accumulated Depreciation* field.

If the disposed asset is not used 100% for business, the business use percent for the current year is applied to all future years for projecting the allowed depreciation.

Like-Kind Exchange (Exchange Assets)

If the disposition is a future year exchange, the Exchange Asset(s) button is grayed out until the year is closed to the year of disposition. Once in the year of disposition, the Exchange Asset(s) button is available for the creation of the new asset(s).

Partial Disposition

CCH ProSystem *fx* Fixed Assets does not allow entry of partial disposition information prior to the year of sale.

Importing and Exporting Disposition Data

Future year disposition information cannot be imported from CCH ProSystem *fx* Tax because Tax assumes the sale is in the current year. Future year disposition information can be imported from other FAM products. See *Overview of Importing Data from Other FAM Products* on page 176 for a list of products supported for data import.

Future year disposition information cannot be exported into Tax.

Chapter 6

REPORTING DATA

CCH ProSystem *fx* Fixed Assets allows you to print a single report or multiple reports. Depending on the report, you can filter reported assets by several criteria including date range, asset number or system number, book, category, etc. You can also sort reports using a variety of criteria and preview reports before printing them.

This section discusses the procedures for printing details for a currently selected asset, single reports, and report sets. You will also learn how to customize the system-provided reports to suit your needs.

Selecting Reports

CCH ProSystem *fx* Fixed Assets allows you to print a single report or multiple reports. Depending on the report, you can filter reported assets by several criteria including date range, asset number or system number, book, category, etc. You can also sort reports using a variety of criteria and preview reports before printing them.

This section discusses the procedures for printing details for a currently selected asset, single reports, and report sets. You will also learn how to customize the system-provided reports to suit your needs.

The available CCH ProSystem *fx* Fixed Assets reports are categorized as follows:

- **Calculation Reports**
    - **Depreciation Expense**. The primary report to generate useful totals from the individual asset information.
    - **Depreciation Expense Comparison**. Allows you to compare any two books. The Federal and Financial books are the default.
    - **Disposition Report**. Summarizes the assets disposed in the current year.
    - **Exchange Detail Report**. Shows the detail of prior and current year exchanges.
    - **MACRS Mid-Quarter Calculation**. Displays the assets that are included in the mid-quarter convention calculation and the percentage of the assets placed in service in the fourth quarter over the full year.

- **Projection Reports**
  - **Detail Projection**. Projects detail depreciation forward for any single year.
  - **FASB 109 Projection**. The Financial Accounting Standards Board report compares Federal to Financial projections for depreciable lives.
  - **Multiple Book Projection**. Projects detail depreciation for all active books.
  - **Multi-Period Projection**. Projects detail depreciation forward for up to eight years.
- **Activity and Status**
  - **Current Acquisitions**. Shows acquisitions from the current year.
  - **Journal Entry**. Displays a total for each account number.
  - **Property Tax Listing**. Provides a generic listing that can be used for property tax returns. Most property tax returns ask for the cost at acquisition by category for each year.

    The following summary reports can be selected to print with the Property Tax Listing Report. These reports are activated by selecting the respective check boxes on the Property Tax tab at Property Tax Listing > Properties.
    - **Property Tax Summary**. Provides depreciation information by category for the year of the report.
    - **Annual Cost Summary**. Provides a look at each asset category based on the year acquired.
- **Asset Reports**
  - **AMT Report**. Two reports display as one item showing AMT adjustments.
  - **Annual Activity Report**. Shows the asset balances with additions and deletions during the current year.
  - **Asset Information**. Displays the contents for an entire asset on an asset-by-asset basis.
  - **Asset List**. Displays Asset List columns that are specified for selected categories on the *Edit Report Properties* dialog.
  - **Asset Notes**. Lists only those assets that have notes attached.
  - **Depreciation Variance**. Shows the difference between submitted and computed depreciation. Variance is usually caused by overrides or imports.
  - **Net Book Value**. Calculates the net book value of all assets.
- **Tax Form Reports**
  - **ACE Worksheet**. Computes ACE adjustments when there is a difference between the ACE and AMT books.
  - **Form 4562 Worksheet**. Provides the detail by line number of Government Form 4562.
  - **Section 168 - Special Depreciation Allowance**. Summarizes the different sources of depreciation, specifically the 30%, 40%, 50% and 100% additional depreciation.
  - **Section 179**. Lists the current year assets that are eligible for Section 179, and amounts elected and allowed.

- **Government Forms**
  - **Form 4562**. Summarizes the current year depreciation by date of service and type. It also includes current year Section 179.
  - **Form 4797**. Summarizes current year dispositions by type.

Printing Asset Detail

(File > Print > Asset Detail)

If you are viewing an asset using the *Detail* tab, or any other tab (for example, Projections) is active, you are only able to print detail information for the asset currently being viewed.

To print detailed information for the selected asset, do any of the following:

1. Select **File > Print > Asset Detail**.
2. Click **Print Asset Detail** on the toolbar.
3. Right-click an asset and select **Asset Detail** from the menu.
4. Click **Print Menu** and select **Asset Detail**.

Customizing Report Properties

(File > Print > Reports)

The following information provides instructions on editing the information to be displayed in your reports. Some of the available options include filters, sort order, date range, amount of detail, and column selection.

Applying Report Properties

Before editing report properties, consider whether you want to apply the changes for a single print session or save the changes so they can be retained for another print session.

- To edit properties for a single print session, use option **3a**.
- To save edits after the *Reports* dialog is closed, use option **3b**. Using this step, you have the following additional options:
  - If you do not save the client file, the report property edits will be reset when you close the client file.
  - If you save the client file, the edits will be retained after the client is closed and they will override Global Settings, if applied to the client, for the modified report.

Editing Report Properties

1. To open the *Reports* dialog, do one of the following:

   - Click **Print Reports** on the toolbar.
   - Select **File > Print > Reports**.
   - Select **Reports** from **Print Menu** on the toolbar.

2. Click the **plus sign (+)** next to a report category folder, such as Asset Reports, to display the reports available within that category.

   a. Select the current reporting month if the time period is less than a year (for example, current month or current quarter). This will be based on the fiscal year defined in Client Properties.
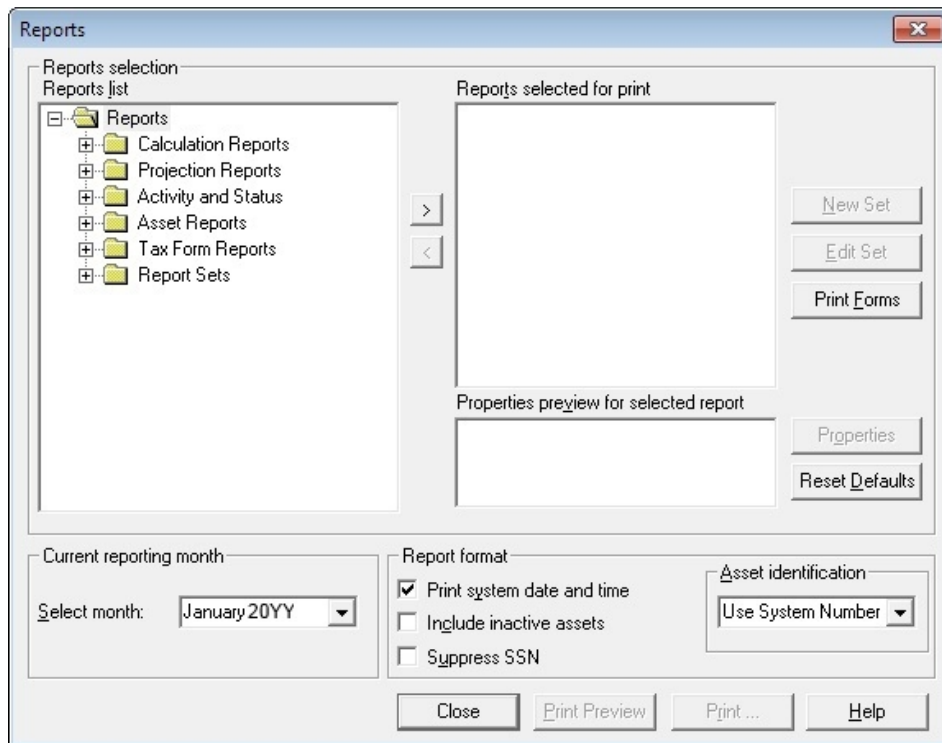
3. Do one of the following:

   a. **Edit properties for a single print session**. Move the reports or reports you want to print from the *Reports list* to the *Reports selected for print* box using one of the following methods:

      - Double-click the report or reports
      - Select the report or reports and click the **right arrow**.

   Select the report or reports you want to print from the *Reports selected for print* box.

b. **Save edit after the *Reports* dialog is closed**. Select the report or reports you want to print from the *Reports list* box. Click <u>Save Client</u> after you close the *Reports* dialog if you want to retain your edits after the client is closed.

4. Click **Properties**.

5. If applicable, select the books to be included in the report on the *General* tab. The available books vary by report and appear in the *Available Books* list. To select a book, highlight it in the list and click **Add**. You can remove a book from the *Books to Process* list by highlighting it and selecting **Remove**.

6. Choose from the following options to customize your report. The options can vary depending on the selected report.

- Configure General Report Settings

    a. On the **General** tab, add the books to be included in the report. The available books will vary by report.

    b. Select the **Apply business percent** box to display values on a report that apply business use percent. This field is available for the following reports:

    - Depreciation Expense Report
    - Depreciation Expense Comparison Report
    - Exchange Detail Report
    - Detail Projection
    - Multiple Book Projection

- Multi-Period Projection
- Current Acquisitions
- Journal Entry
- Property Tax Listing
- AMT Report
- Net Book Value
- Section 168 - Special Depreciation Allowance
- Section 179

Apply business percent is selected by default for the following reports:

- Disposition Report
- MACRS Mid-Quarter Calculation
- ACE Worksheet
- Form 4562 Worksheet

c. Select how amortized assets display in the report from the *Amortized Assets presentation* list. This field is available for the following reports:

- Depreciation Expense Report
- Depreciation Expense Comparison Report
- Detail Projection
- Net Book Value

The drop-down list gives you the following options:

- **Separate report for amortization**. Creates a report including all assets except amortized. The amortized assets will print on a separate report.
- **Included amortized assets - grouped**. Creates a report including all assets with amortized assets grouped together.
- **Include amortized assets - not grouped**. Creates a report of all assets, including amortized.

d. The *Presentation of Section 179* section is enabled for the following reports:

- Depreciation Expense Report
- Depreciation Expense Comparison Report
- Detail Projection
- Multiple Book Projection
- Current Acquisitions
- Journal Entry
- Property Tax Listing
- AMT Report
- Net Book Value
- Section 168 - Special Depreciation Allowance

e. Select from one of the following five options:

   i. **All 179, Accumulated, Current, Total**. The current year and prior year Section 179 amounts display only in the Section 179 column.

   ii. **CY 179, Accumulated+PY 179, Current, Total+PY 179+CY 179**. The current year Section 179 amounts display in the Section 179 column, and the prior year Section 179 amounts display in the accumulated depreciation column. Both current and prior section 179 amounts display in the total depreciation column.

   iii. **All 179, Accumulated+PY 179, Current, Total+PY 179+CY 179**. The current and prior year Section 179 amounts display in the Section 179 column. The prior Section 179 amounts display in the accumulated depreciation column. The current and prior Section 179 amounts display in the total depreciation column.

   iv. **CY 179, Accumulated+PY 179, Current+CY 179, Total+PY 179+CY 179**. The current year Section 179 display in the Section 179 column, the current depreciation column, and the total depreciation column. The prior year Section 179 amounts display in the accumulated depreciation column and the total depreciation column.

   v. **All 179, Accumulated+PY 179, Current+CY 179, Total+PY 179+CY 179**. The current year Section 179 amounts display in the Section 179 column, the current depreciation column, and the total depreciation column. The prior year Section 179 amounts display in the Section 179 column, the accumulated depreciation column, and the total depreciation column.

f. In the *Detail options* section, choose one of the following:
   - Subtotals and totals only
   - Details, subtotals, and totals

g. Select an asset description option from the *Description* drop-down list.
   - Basic Description
   - Full Description
   - No Description
   - Separate Description with Method, Life, Convention & Business Percent

- Specify Report Date Range

   a. Click the **Reporting Period** tab. This tab is available for the following reports:
      - Depreciation Expense Report
      - Depreciation Expense Comparison Report
      - Disposition Report
      - Current Acquisitions
      - Journal Entry
      - AMT Report
      - Annual Activity Report

- Depreciation Variance
- Net Book Value
- ACE Worksheet
- Form 4562 Worksheet
- Section 168 - Special Depreciation Allowance
- Section 179

b. In the *Reporting date range* section, select a date range from the *Select type* drop-down list.

- Current Month
- Current Quarter
- Current Year
- Custom
- Next Year

c. If you selected the *Custom* report date range option, use the *From* and *To* drop-down lists to specify the dates used in the report.

🗒️ **Notes**:

- The reporting period date range displays on the *Reports* dialog in the *Properties preview for selected report* box.
- If you select *Custom* in the *Select type* field, notice that the year in the date field does not change from its prior setting. You can change the year as needed.
- The *Set overrides information* section displays information only when a report set override has been applied to the report being configured. To change the override, you must edit the report set.
- You will need to scroll up for prior years.

- ▪ Configure Filter and Sort Options
  a. Click the **Sort/Filter** tab.

  b. Select filters from the *Select asset filter* drop-down lists to change the assets that will display on the report.

     📙 Notes:

     - ▪ To create or edit a filter, click **Filter**.
     - ▪ You will need to scroll up for user defined filters and global settings filters.

  c. In the *Sort order* section, you can change the sort fields on all of the following reports. You can choose to include a subtotal, page break, or both on all reports except the Asset List.

     - ▪ Depreciation Expense Report
     - ▪ Depreciation Expense Comparison Report
     - ▪ Disposition Report
     - ▪ MACRS Mid-Quarter Calculation
     - ▪ Detail Projection
     - ▪ Multiple Book Projection
     - ▪ Multi-Period Projection
     - ▪ Current Acquisitions
     - ▪ Journal Entry

- Property Tax Listing
- AMT Report
- Annual Activity Report
- Asset List
- Asset Notes
- Depreciation Variance
- Net Book Value
- ACE Worksheet
- Form 4562 Worksheet
- Section 168 - Special Depreciation Allowance
- Section 179

d. In the *Sub Total* field you can select from the following options:

- **None**. No subtotal is created.

- **Back out dispositions**. Subtotals contain a line to subtract amounts for disposed assets. Current depreciation is not subtracted.

- **Dispositions included**. Subtotals do not contain a line to subtract disposition amounts.

- Customize a Report's Header and Footer
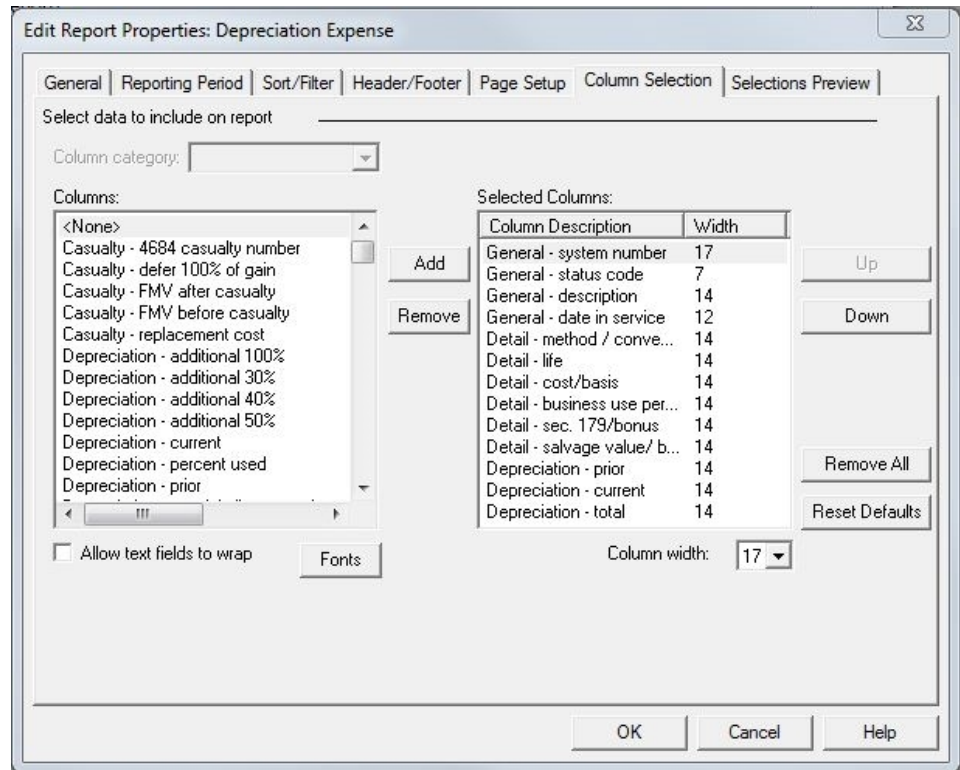
a. Click the **Header/Footer** tab

b. Select from the drop-down lists to customize the header and footer information to display in a report. You can also enter custom information in the fields.

c. Select the **Print header on page 1 only** box if you only want headers to display on the first page of your report.

- Set Margins and Page Orientation

    a. Click the **Page Setup** tab.

    b. Use the available options to configure the report's margins and layout orientation.

    c. Select the **Alternate line shading** box to enable alternate shading for each line of data displayed in the report.

- Select and Position Data by Column

    Note: Changing the columns for the Asset List report will not change the columns viewed on the Asset List tab. To change the view, use Tools > Columns or Tools > Global Settings > Columns.

    a. Click the **Column Selection** tab.

    Note: The *Column Selection* tab is not available on the following reports:

    - Exchange Detail
    - FASB 109 Projection
    - Multi-Period Projection
    - Journal Entry

- Asset Information
- Form 4562 Worksheet

b. For the Asset List report, select a category according to the type of detail you want to display in the report. For all other reports, continue to the next step.

c. Select individual column headers and click **Add** or **Remove** to specify the columns you want to include in the *Selected Columns* list.

Notes:

- Move a column up or down in the list by highlighting the column in the *Selected Columns* list and selecting either the **Up** or **Down** button.

- You can clear the list of all columns in the *Selected Columns* list by clicking **Remove All**. You can restore the list to its default settings by selecting **Reset Defaults**.

- The width settings of selected columns can be adjusted by making selections from the *Column Width* drop-down list.

- You have the option to change the appearance of the font type, style, or size in the report. Select **Fonts** and a dialog displays that allows you to modify the font.

d. For the Asset List report, repeat steps b and c until columns for all desired categories are selected. A maximum of 25 columns can be selected to print. For all other reports, continue to the next step.

e. Click **Fonts** to change the font style or font size.

f. Select the **Allow text fields to wrap** to allow text to wrap to the next line in a column.

g. Select a column and use the **Column width** list to adjust the settings of individual columns.

Note: Customized reports allow 25 columns to view except Asset List which has retained its 26 columns to view. All reports except the Annual Cost Summary Report allow 25 columns for printing.

- Preview Header/Footer and Column Selections
    a. Click the **Selections Preview** tab.
    b. Review your header, footer, and column selections.

       If you are configuring the Depreciation Expense Comparison, Detail Projection, Multi-Period Projection, Multiple Book Projection, Property Tax Listing, or Journal Entry reports, continue to the next step; otherwise, click **OK** to return to the *Reports* dialog.

- Configuration Options for Specific Reports

Do one of the following:

- **Depreciation Expense Comparison Report**. Click the **Compare** tab and select two books to compare using the *Compare* and *To* drop-down lists. You must select two books to compare.

- **Multiple Period Projection Report**. Click the **Projection Period** tab and select the number of periods to project from the *Number of periods* drop-down list and the projection range from the *Starting period* drop-down list.

  Select the *Include fully depreciated assets* box to include projection detail on fully depreciated assets in the report.

- **Multiple book Projection and Detail Projection Reports**. Click the **Projection Period** tab and select the projection range from the *Starting period* drop-down list.

  Select the *Include fully depreciated* assets box to include projection detail on fully depreciated assets in the report.

- **Journal Entry Report**. Click the **Reference Number** tab to enter a journal reference number.

- **Property Tax Listing Report**. Click the **Property Tax** tab to specify the 12-month period you want to process from the *From* drop-down list. The *To* field is automatically filled with a date that is 12 months from the *From* date selected.

  Select the *Include property tax summary report* box if you want to include a property tax summary report.

  Select the *Include annual cost summary report* box if you want to include an annual cost summary report.

  Note: The Annual Cost Summary Report will print all categories created on the detail tab.

7. Click **OK** to return to the *Reports* dialog.

Note: If you want to create or edit a filter, click the **Filter** button on the *Sort/Filter* tab.

Prior Year Reports

(File > Print > Reports)

Reports can be easily created and printed for prior years. The same level of customization is available for prior year reports that exist for the corresponding report for the current year. See *Customizing Report Properties* on page 142 for detailed information on additional report customization options.

Notes:

- Prior year selection is available for the Annual Activity report; however, the asset filter must first be changed from the default, *Current Year Acquisitions*, to produce a report with asset data.
- To print a prior year report, the year must be a year that was in the file and has been closed.

To create a prior year report, do the following:

1. To display the *Reports* dialog, do one of the following:
    - Click **Print Reports** on the toolbar.
    - Select **File > Print > Reports**.
    - Click **Print Menu** and select **Reports**.
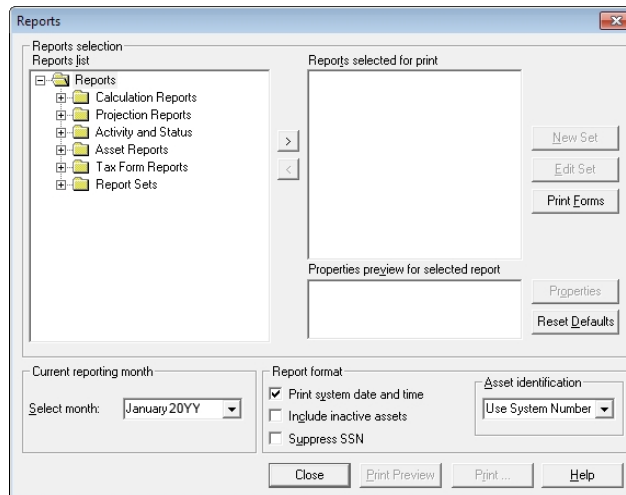
2. Click the **plus sign (+)** next to a report category folder, such as Asset Reports, to display the reports available within that category.

3. To select a report, double-click the report, highlight the report and click the right arrow, or drag the report from the *Reports list* to the *Reports selected for print* section. The reporting period date range displays in the *Properties preview for selected report* field for the selected report.

   Notes:

   - If a report's properties are changed before the report has been selected for print, the properties are retained. If the properties are updated while a report is selected for print, the properties are reset when the *Reports* dialog is closed.

   - If you selected multiple reports and selected *Create single PDF file for a multiple report selection* on the *Preferences* dialog, you can create a single PDF file for multiple reports when you print.

4. Highlight the report and click **Properties**. The *Edit Report Properties* dialog displays.
5. Click the **Reporting Period** tab.

   Note: The *Edit Report Properties* dialog can also be accessed by selecting Tools > Global Settings > Reports > Properties or Tools > Global Settings > Report Sets > Properties.

6. In the *Reporting date range* section, select **Custom** as the date range type.
7. Use the *From* and *To* drop-down lists to specify the dates used in the report. The *Year* drop-down list includes the option to select prior years.

   Notes:

   - The *Set overrides information* section only displays information when a report set override has been applied to the report being configured. To change the overrides, you must edit the report set.

   - The reporting period date range displays on the *Reports* dialog in the *Properties preview for selected report* field for each selected report.

   - You will need to scroll up for prior years.

Restricted Reports

Prior year selection is not available for the following reports:

- Projection Reports:
  - Detail Projection
  - FASB 109 Projection
  - Multi-book Projection
  - Multi-period Projection
- Current year only report:
  - MACRS Mid-Quarter Calculation
  - Asset Information Report

- Non-year specific reports:
  - Exchange Detail
  - Asset List
  - Asset Notes

Printing Reports

(File > Print > Reports)

You can print one or more reports to a printer or to an ASCII Comma Delimited, Excel®, Word, or PDF file.

Select the *Create single PDF file for a multiple report* option on the *Preferences* dialog to create a single file every time you print multiple reports to the PDF format. See *Setting Preferences* on page 21 for details.

1. To display the *Reports* dialog, do one of the following:
   - Click **Print Reports** on the toolbar.
   - Select **File > Print > Reports**.
   - Click **Print Menu** and select **Reports**.
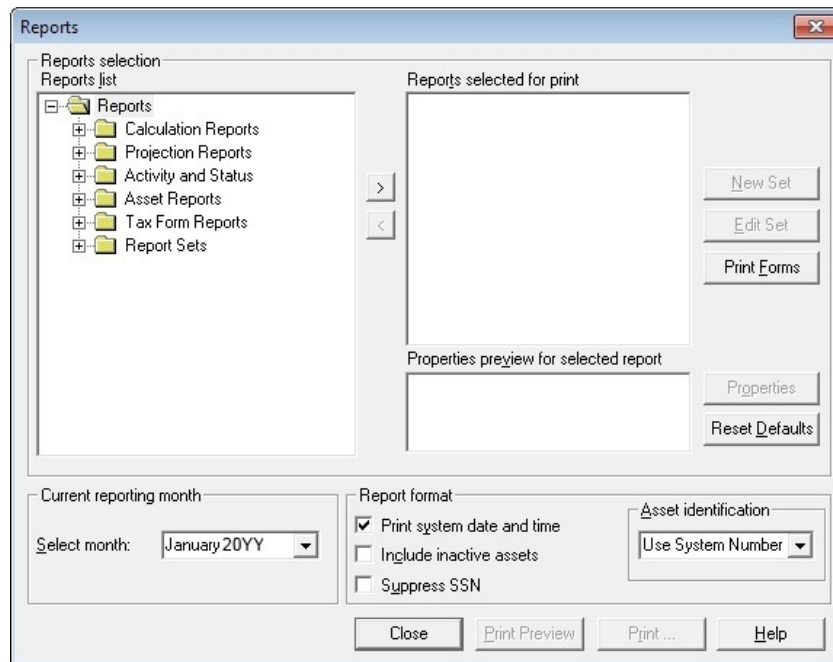
2. Double click a report category folder, such as Asset Reports, to display the reports available within that category.

3. Double-click **Depreciation Expense**. The report displays in the *Reports selected for print* list.

   Note: To save these settings for this client, modify the report on the left side of the report list before selecting the report for print.

4. Select a month from the *Select month* drop-down list if needed.

5. Choose the appropriate formatting option or options in the *Report format* section.

6. Click **Print** to display the *Print* dialog.

7. Do one of the following:

   ▪ To print to a printer, do the following:

      a. Select a printer from the *Name* list.

      b. If you are printing more than one copy, enter the desired number.

      c. If needed, select to collate the print copies.

   ▪ To print to a file, do the following:

      a. Select the **Print report to file** box.

      b. The directory location and file name defaults to the directory specified on the *Client Properties File Locations* tab and the client ID. You can enter a different directory in the *File name* box or browse to another location.

      c. Select the file format.

      d. If you are printing multiple reports to a PDF file, you can select **Print to single PDF** to print all reports in one file.

8. If you are printing a page range, enter the page numbers.

9. Click **OK** to print and exit this dialog.

Previewing Reports

(File > Print > Reports)

1. To display the *Reports* dialog, do one of the following:

   ▪ Click **Print Reports** on the toolbar.

   ▪ Select **File > Print > Reports**.

   ▪ Click the **Print Menu** and select **Reports**.

2. Double-click a folder to display a list of available reports.

3. Do one of the following to select a report:

   ▪ Double-click the report.

   ▪ Highlight the report and click the **right arrow**.

   ▪ Drag the report from the *Reports list* to the *Reports selected for print* section.

   📝 **Note**: Multiple reports can be previewed from the Print Preview window.

   The reporting period date range, filter, and sort information display in the *Properties preview for selected report* field for the selected report.

4. Select a month from the *Select month* drop-down list if needed.

5. Check the appropriate formatting option or options in the *Report format* section.

6. Click **Print Preview** to view the reports before printing.

7. Choose to print, preview,export, and navigate through the reports by using the buttons on the Print Preview toolbar:

Print this page. Prints the page currently displayed.

Print previewed reports. Prints all reports selected for preview.

Close print preview. Closes the Print Preview window.

Export all reports. Exports all reports selected for preview to CCH ProSystem *fx* Engagement.

Export this report. Exports the report currently displayed to CCH ProSystem *fx* Engagement.

Page backward. Move forward through the pages of a report.

Page forward. Move backward through the pages of a report.

Disposition Report - Federal - page 1   **Direct page selector**. Lists the report or reports you selected to preview, allowing you to select another report to preview.
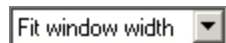
Fit window width   **Set zoom factor**. Zooms in to enlarge the page size and zooms out to reduce the page size.

Notes:

- To navigate multiple reports in the *Preview* screen, use the toolbar page buttons or select a page from the drop-down list field.
- If you selected multiple reports on the *Reports* dialog and selected *Create single PDF file for a multiple report selection* on the *Preferences* dialog, you can create a single PDF file for multiple reports when you export all reports. See *Exporting Reports to CCH ProSystem fx Engagement* on page 165 for more details.
- To change the resolution, make a selection from the resolution drop-down list (*Fit window width* is the default).

8. To exit this dialog, do one of the following:
   - Click **Exit Print Preview**.
   - Click **Close print preview** on the toolbar.

Printing to a PDF File

The following information provides instructions on printing to a PDF file.

1. Select **File > Printer Setup**.
2. Select **CCH FA PDF Printer** from the *Name* drop-down list.
3. In the *Paper* section, select a size from the *Size* drop-down list.
4. Select **Portrait** or **Landscape** in the *Orientation* section.
5. Click **OK**.
6. Select **File > Print**, and then select a printing option.
7. Set the printing options and click **OK**.
8. Enter a name in *File name* field. Change the location, if desired.
9. Click **Save**.

To print to a PDF file on a report by report basis, see *Printing Reports* on page 155.

Saving Report Data to a File

(File > Print > Reports)

You can save report data to a file using the following file formats:

- ASCII Comma Delimited (*.CSV)
- Microsoft® Excel® (*.XLS)
- Microsoft® Word (*.DOC)
- Portable Document Format (*.PDF)

To save report data to a file, do the following:

1. Select **File > Print > Reports** to display the *Reports* dialog.
2. Select the report or reports you want to save to a file.
3. Click **Print** to display the *Print* dialog.
4. Choose a printer from the *Name* drop-down list or check the *Print report to file box*. If you select *Print report to file*, the file name location defaults to the directory you specified for saving report files and the client ID. You can enter a different directory in the *File name* box or browse to another location.

If you print multiple reports and selected *Create single PDF file for a multiple report selection* on the *Preferences* dialog, you can create a single PDF file when you select the *Pfx Engagement PDF Converter* printer or choose the *Print report to file* option. Otherwise, each report is saved to a separate file. The file name will be the name displayed in the File name box with an appended number (the extension will not change). For example, if your file name is SAMPLE.CSV, the first of your files will be named SAMPLE1.CSV, the second SAMPLE2.CSV, etc.

5. To change the file format, select a format from the *File format* drop-down list.
6. Click **OK** to save the report or reports to a file.

Overview of Managing Report Sets

Report Sets allow you to group various reports into a set for printing. You may set report properties such as reporting period, sort order, filters, column selection, select books to process, and presentation of Section 179 for specific reports. See *Customizing Report Properties* on page 142 for details of the selections.

This section shows you how to add, edit, delete, and print report sets. CCH ProSystem *fx* Fixed Assets includes the following default report sets:

- The Month End report set includes the following reports:
  - Depreciation Expense
  - Net Book Value
- The Year End–Federal Tax set includes the following reports:
  - Depreciation Expense
  - Net Book Value
- The Year End–Alternative Minimum Tax set includes the following reports:
  - AMT Report
  - Depreciation Expense
  - Net Book Value

Creating a Report Set

(File > Print > Reports)

Report Set properties are client-specific.

Use the following procedure to create a report set:

1. In an open file, do one of the following to open the *Reports* dialog:
   - Click **Print Reports** on the toolbar.
   - Select **File > Print > Reports**.

■ Click **Print Menu** and select **Reports**.

2. Double-click a folder in the *Report list* section to display a list of available reports.

3. Select a report set using any of the following methods:

■ Double-click the report set.

■ Highlight the report set and click the **right arrow**.

■ Drag the report set from the *Reports list* to the *Reports selected for print* section.

■ Drag a folder from the *Reports list* to the *Reports selected for print* section to include all the reports in the folder.

Unselected reports remaining in the *Report List* are not used in the Report Set.

The reporting period date range displays in the *Properties preview for selected report* field for the selected report.

4. Click **New Set** when all the reports for this set are in the *Reports selected for print* section.

5. Enter the information in the *Edit Report Set* dialog.

■ **Set name**. Enter a name for the new set.

■ **Set definition**. Select the reports in the *Reports List* to add to the report set and click the right arrow. Use the **Up** and **Down** arrow buttons to change the order.

📝 **Note**: Only reports in the *Set list and print sequence* section are included in the set.

- **Override reporting period**. Check this box to override the reporting period properties of all applicable reports in the set without editing each one. Select the *From* and *To* dates from the drop down list.

- **Override book selection**. Select this box to use one or more books other than the books set in each report's individual properties. Select the respective box for each book you want to use.

  Note: Book and period overrides do not apply to the following reports:

  - FASB 109
  - AMT
  - Asset Information
  - Asset List
  - Asset Note
  - ACE™ Worksheet

6. To change the properties of an individual report in a set, highlight the report, click **Properties**, and make the appropriate changes. See *Customizing Report Properties* on page 142 for more information.

7. Click **Save**. The *Save* button is disabled until a name is entered in the *Set name* field and a report has been placed in the *Set List and Print Sequence* list.

Editing a Report Set

(File > Print > Reports)

Report set configurations are client-specific.

Use the following procedure to edit a report set:

1. In an open file, do one of the following to display the *Reports* dialog:
   - Click **Print Reports** from the toolbar.
   - Select **File > Print > Reports**.
   - Click **Print Menu** and select **Reports**.

2. Double-click the **Report Sets** folder or click the **plus sign (+)** next to the folder.

3. Select and add the report set to be modified to the *Reports selected for print* box.

   Note: Additional reports can be added to the *Reports selected for print* box.

4. Click **Edit Set**.

5. Change the report set definition, as required. See *Creating a Report Set* on page 159 for more information.

6. Do one of the following:

- **Add a report to the set**. Highlight the report in the *Report list* box and click the right arrow or double-click the report set.

- **Remove a report from the set**. Highlight the report in the *Set list and print sequence* box and click the left arrow or double-click the report set.

Note: Changing the set name does not create a new set.

7. Click **Save** to accept the changes.

Note: If you change the report set name to an existing name, a warning displays confirming the replacement of the existing set.

Deleting a Report Set

(File > Print > Reports)

Report Set configurations are client-specific.

Use the following procedure to delete a report set:

1. In an open file, do one of the following to display the *Reports* dialog:
   - Click **Print Reports** on the toolbar.
   - Select **File > Print > Reports**.
   - Click **Print Menu** and select **Reports**.
2. Open the **Report Sets** folder and highlight a set.
3. Click **Edit Set**.
4. Click **Delete Set**.
5. When asked to confirm the deletion, click **Yes**.

Printing a Report Set

(File > Print > Reports)

Report set configurations are client-specific.

Select the *Create single PDF file for a multiple report* option on the *Preferences* dialog to create a single file every time you print multiple reports to the PDF format. See *Setting Preferences* on page 21 for details.

Use the following procedure to print a report set:

1. To display the *Reports* dialog, do one of the following:
   - Click **Print Reports** on the toolbar.
   - Select **File > Print > Reports**.
   - Click **Print Menu** and select **Reports**.
2. Double-click the **Report Sets** folder or expand it by clicking the **plus sign (+)** next to the folder.
3. Select a report set folder by highlighting the folder and clicking the right arrow, or drag the folder from the *Reports list* to the *Reports selected for print* section.

   The reporting period date range, filter, and sort information display in the *Properties preview for selected report* field for the selected report.
4. Select a month from the *Select month* drop-down list if needed.
5. Choose the appropriate formatting options in the *Report format* section.
6. Click **Print** to display the *Print* dialog.
7. Do one of the following:
   - To print to a printer, do the following:
     a. Select a printer from the *Name* list.
     b. If you are printing more than one copy, enter the desired number.
     c. If needed, select to collate the print copies.
   - To print to a file, do the following:
     a. Select the **Print report to file** box.
     b. The directory location and file name defaults to the directory specified on the *Client Properties File Locations* tab and the client ID. You can enter a different directory in the *File name* box or browse to another location.
     c. Select the file format.
     d. If you are printing multiple reports to a PDF file, you can select **Print to single PDF** to print all reports in one file.
8. If you are printing a page range, enter the page numbers.
9. Click **OK** to print and exit this dialog.

Printing Government Forms

(File > Print > Forms)

This section outlines the procedures for printing the government forms available in CCH ProSystem *fx* Fixed Assets. Form 4562 can be printed when it is not required to be filed. This function is enabled using the *Print and export options* section on the *Preferences* dialog. See *Setting Preferences* on page 21 for more information.
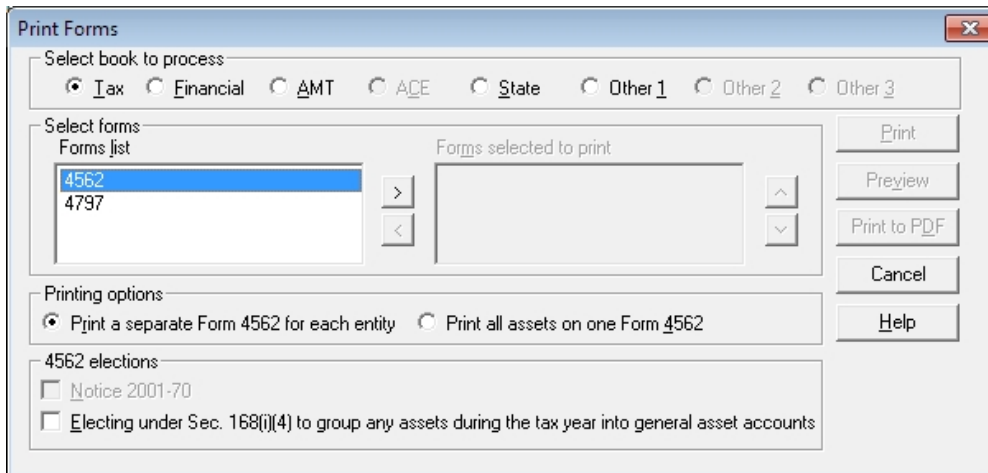
Note: Form 4562 can be printed when it is not required to be filed. This function is enabled using the *Print and export options* section on the *Preferences* dialog.

To print government forms, do the following:

1. Use one of the following methods to display the *Print Forms* dialog:
   - Click **Print Reports** then select **Print Forms** on the *Reports* dialog.
   - Select **File > Print > Forms**.
   - Click **Print Menu** and select **Forms**.

2. Select forms for printing by double-clicking each form in the *Forms list* box to move it to the *Forms selected to print* list box.

   Note: To select or deselect a form for printing, you can double-click the form or use the left and right arrow buttons positioned between the list boxes.

3. Click the up and down arrows to set the print order of the form or forms listed in the *Forms selected to print* list box.

4. Select the book to use.

5. If printing Form 4562, highlight the form in the *Forms selected to print* list and select a print option from the *Printing options* section.

6. Select options from the *4562 elections* section, as needed.

   ▪ **Notice 2001-70**. Select to indicate this election on the top of Form 4562. (This election is valid for 2001 current calendar years only.)

   ▪ **Electing under Sec. 168(I)(4) to group any assets during the tax year into general asset accounts**. To group any assets placed in service during the year into one or more general assets accounts, check this option to allow the question on Form 4562, Line 18 to be checked.

7. Do any of the following:

   ▪ Click **Print** to begin printing the selected form or forms.

   ▪ Click **Preview** to preview the selected form or forms before printing.

   ▪ Click **Print to PDF** to indicate a location and name, and then save the selected forms in PDF format.

Exporting Reports to CCH ProSystem *fx* Engagement

(File > Export > Engagement Binder > Export Reports)

This section provides instructions for adding PDF files created from CCH ProSystem *fx* Fixed Assets reports to a workpaper tab in a CCH ProSystem *fx* Engagement binder.

To export reports to CCH ProSystem *fx* Engagement, you need to establish the following in Engagement:

- You must have a valid Engagement user name and password.
- You must be a team member assigned to the binder you want to store the file in.
- You must be assigned the rights to create a new workpaper for the binder and the binder must be closed.
- You must have a licensed version of engagement for this process.

To export report data to Engagement, do the following:

1. Open a client file.

2. Select **File > Export > Engagement Binder > Export Reports** or select **Export Reports** on the Export to Engagement toolbar menu.

3. Double-click a folder to display a list of available reports.

4. Select one or more reports by double-clicking on the report to add it to the *Reports selected* list.

   Note: Reports are exported in PDF format. If you select multiple reports and checked the *Create single PDF file for a multiple report* selection on the *Preferences* dialog, you can create a single PDF file for multiple reports when you export. See *Printing Reports* on page 155 for more instruction.

5. Select the month from the *Select month* drop-down list if necessary.

6. Check the appropriate formatting options in the *Report format* section.

7. Click **Properties** to edit a selected report's print settings as needed.

8. Click **Export**.

9. If this is the first time you have exported during this session, you are prompted for your Engagement user login information. Enter it and click **OK**.

10. If you are exporting multiple reports and selected the print and export option to create a single PDF file for multiple reports, enter a file name in the *PDF File Name* dialog and click **OK**.

11. Click **Next** on the *Insert Workpaper Wizard* dialog.

12. In the *Local File Room*, select the client folder and then the binder where the report PDF file is to be placed.

13. Click **Next**.

14. Select the workpaper tab where you want to insert the report PDF file and click **Next**.

15. Enter an index number and name. You may keep the default name, which reflects the specific report name and the book being reported or the PDF file name.

16. Click **Finish** to display a summary dialog listing the binder, workpaper tab, and workpaper index number and name.

17. Click **Insert** if the information is correct. Click **Back** to change any of your selections.

Chapter 7

IMPORTING DATA

This chapter explains the procedures for importing data into CCH ProSystem *fx* Fixed Assets. Users who are integrated with CCH ProSystem *fx* Tax, CCH Global *fx* Tax, or CCH Axcess Tax will also be shown how to import CCH ProSystem *fx* Fixed Assets data into a tax return.

Integrating CCH ProSystem *fx* Fixed Assets Data with CCH ProSystem *fx* Tax and CCH Global *fx* Tax

This section provides instructions on importing data to CCH ProSystem *fx* Fixed Assets clients that are linked to CCH ProSystem *fx* Tax or CCH Global *fx* Tax data, and non-linked clients. Any Fixed Assets client created by importing CCH ProSystem *fx* Tax or CCH Global *fx* Tax client profile data is linked. See *Creating a New Client* on page 43 for information on linking to a CCH ProSystem *fx* Tax or CCH Global *fx* Tax Client.

⚠️ **Points to Remember before Importing Data from CCH ProSystem *fx* Tax and CCH Global *fx* Tax:**

- Calculate and save the return at least once before importing data. The import process stops if the return has never been calculated.

- If you make changes to the return and are planning to import data to CCH ProSystem *fx* Fixed Assets, calculate and save the return before importing again.

- Assets are assigned a CCH ProSystem *fx* Fixed Assets system number based on their CCH ProSystem *fx* Tax or CCH Global *fx* Tax asset number. The system number is used for matching purposes when data is imported into the tax program and can be reviewed in the data grid in worksheet view.

- If "Totals Only" has been used in the tax return, CCH ProSystem *fx* Fixed Assets will not import any asset information into the fac file.

- When importing data from CCH ProSystem *fx* Tax or CCH Global *fx* Tax, you are given the choice of the location of Tax you want to import from Network or Local, Laptop, or Internet. Select **Internet** if you want to import from CCH Global *fx* Tax.

- If you select a CCH ProSystem *fx* Tax or CCH Global *fx* Tax client whose data has been secured with a password, you must enter the password. If the return is secured through the user

access list, you must be on the list of users granted access to the client's data or have supervisor access before the client's data can be imported into CCH ProSystem *fx* Fixed Assets.

- If you have imported asset data, the data imported on a subsequent import overwrites existing assets.
- If exceptions are found during the import process, an exception log displays. You can print the log while viewing it.
- Once a CCH ProSystem *fx* Tax or CCH Global *fx* Tax client's return data is imported into Fixed Assets and assigned a password, the CCH ProSystem *fx* Fixed Assets password is independent of CCH ProSystem *fx* Tax and CCH Global *fx* Tax.

Importing Assets for a Linked CCH ProSystem *fx* Tax or CCH Global *fx* Tax Client

(File > Import > Tax)

Note: Some returns only allow access for designated CCH ProSystem *fx* Tax and CCH Global *fx* Tax users. If your sign-on user ID does not match the user ID on the list of users authorized to access a return, you receive an access denied message.

To import asset data in to a CCH ProSystem *fx* Fixed Assets client file that has been linked to a CCH ProSystem *fx* Tax or CCH Global *fx* Tax return, do the following:

1. Open the applicable client and do one of the following:

   - Select **File > Import > Tax**.
   - Click **Import from Tax** on the toolbar.

   Note: If the client's return is password-protected in CCH ProSystem *fx* Tax or CCH Global *fx* Tax, you are asked to enter a password before the *Applicable Returns* dialog displays.

2. Choose the location of the Tax version to be used for retrieving client data: Network or Local, Laptop, or Internet. If you want to import from CCH Global *fx* Tax, select **Internet**.

3. Select the return that data will be imported from and click **OK** to begin the import process.

   Note: If exceptions are encountered during the import process, an exception log displays once the import has finished. Click **Yes** to view the log. While viewing the log, you can click **Print** to print a hard copy of the log.

4. Once the import process has completed, click **OK**.

Importing Assets from a Non-Linked CCH ProSystem *fx* Tax or CCH Global *fx* Tax Client

(File > Import > Tax)

📝 **Notes**:

- When accessing CCH ProSystem *fx* Tax, you may be prompted to enter your user ID and password.
- When accessing CCH Global *fx* Tax, you will be prompted to enter your user ID and password.
- When importing user list secured returns, if your CCH ProSystem *fx* Tax or CCH Global *fx* Tax sign-on user ID is not on the list of users authorized to access a return, you will receive an access denied message.

To import data for a client who has not yet been linked to CCH ProSystem *fx* Tax, follow these steps:

1. Select **File > Open** and highlight the target CCH ProSystem *fx* Fixed Assets client file.
   Do one of the following:
   - Select **File > Import > Tax**.
   - Click **Import from Tax** on the toolbar.

2. Choose the location of the CCH ProSystem *fx* Tax version to be used for retrieving client data: Network or Local, Laptop, or Internet.

   📝 **Notes**:
   - If you want to import from CCH Global *fx* Tax, select **Internet**.
   - You will be prompted to enter a password when importing CCH ProSystem *fx* Tax and CCH Global *fx* Tax password-protected returns. Files created from these returns will not retain the same password in CCH ProSystem *fx* Fixed Assets.

3. The *Select CCH ProSystem fx Tax Client* dialog displays.

   📝 **Notes**:
   - If you are importing from a CCH Global *fx* Tax client, the *Select CCH ProSystem fx Client* dialog has an additional drop-down list called *Tax year*. You can specify the tax year from which clients are selected.
   - If you are importing from a CCH Global *fx* Tax client, the *Select CCH ProSystem fx Tax Client* dialog has an additional drop-down list called *Office account*. This list contains all of the office accounts to which the user has access rights.

   Do one of the following:
   - Select a specific client. Click the *Client ID* or *Client name* radio button, enter the client's ID or name, and click **OK**. You can enter a partial name or client ID in the *Select specific client* section to display a list of clients matching the partial name or ID.

- **Display a list of clients**. Use the drop-down lists in the *Select client by* section to display a list of clients filtered by client type, office group, and/or tax preparer.

4. The *Applicable Clients* dialog displays. Highlight the client whose return data you want to import and click **OK**. If there is only one return for the client, the import process begins immediately.

   If there are multiple returns for the client, the *Applicable Returns* dialog displays. Highlight the return containing the data you want to import and click **OK** to begin the import process.

   If exceptions are encountered during the import process, an exception log displays when the process is complete.

Overview of Importing Data into CCH ProSystem *fx* Tax and CCH Global *fx* Tax

CCH ProSystem *fx* Fixed Assets data for one or more clients can be imported into a return in CCH ProSystem *fx* Tax or CCH Global *fx* Tax. The import process takes place in Tax Preparation.

Note: It is recommended that you save the return before beginning the import process.

Points to Remember when Importing Data into CCH ProSystem *fx* Tax and CCH Global *fx* Tax:

- The current year period of the CCH ProSystem *fx* Fixed Assets file being imported must match the tax year of the open return.

- The SSN or EIN of the CCH ProSystem *fx* Tax or CCH Global *fx* Tax and Fixed Assets client files do not need to match. You will receive a warning dialog if there is a mismatch.

- When importing data to CCH ProSystem *fx* Tax or CCH Global *fx* Tax from Fixed Assets, you are given the choice of importing asset data as asset detail or totals only. Data populates as follows:

   - **Worksheet View**: To the Depreciation and Amortization Worksheet (Form 4562) for each entity.
   - **Interview View**:
      - **Asset detail**. Interview Forms DP-1, DP-2, DP-3, or DP-4
      - **Totals only**. Interview Forms DP-5, DP-6, DP-7, or DP-8

- During the import, CCH ProSystem *fx* Tax and CCH Global *fx* Tax deletes assets in the return associated with the entities being imported and replaces the existing asset data with the Fixed Assets data.

- The following assets are not imported from CCH ProSystem *fx* Fixed Assets:
   - Assets marked as inactive on the *Detail* tab.
   - Previously disposed assets, if the asset's disposed date is prior to the tax year of the return.
   - Assets with a date in service after the tax year of the return.

- Entities in the return that do not have corresponding asset data in CCH ProSystem *fx* Fixed Assets remain as they were prior to the import.
- If there is a conflict between asset data from CCH ProSystem *fx* Fixed Assets and the return data regarding the use of totals only and asset detail, CCH ProSystem *fx* Tax and CCH Global *fx* Tax will give you the choice of stopping the import and changing the method of import or continuing.
- When importing asset detail, you can import current year acquisitions, dispositions, or both.
- To import data from CCH ProSystem *fx* Fixed Assets, you must close the Fixed Assets client file.

Importing Data into CCH ProSystem *fx* Tax and CCH Global *fx* Tax

(File > Import > Fixed Assets)

If a CCH ProSystem *fx* Fixed Assets client is password protected, you will be prompted for the password during the import process.

Notes:

- We recommend that you save the return (File > Save) before beginning the import process.
- To import data from CCH ProSystem *fx* Fixed Assets, you must close the CCH ProSystem *fx* Fixed Assets client file.

To import Fixed Asset data into a CCH ProSystem *fx* Tax or a CCH Global *fx* Tax return, do the following:

1. In Tax Preparation, open the return to import asset data. The CCH ProSystem *fx* Fixed Assets menu command is unavailable until a return is open.
2. To display the *Welcome to the Import Wizard for Fixed Assets* screen, do one of the following:
   - Select **File > Import > Fixed Assets**.
   - Click **Import Fixed Assets** on the toolbar.
3. Click **Save** and then click **Next**.
4. A list of CCH ProSystem *fx* Fixed Assets clients that match the return type (for example, Individual) of the open return displays.

   Note: If AutoSave is running, you will be prompted to disable it before continuing. Select **Tax Preparation > Preferences > AutoSave**.

5. Select the client or clients to import data from and click **Next**. If needed, click **Change Location** to select data files in a different folder.
6. If a CCH ProSystem *fx* Fixed Assets data file is password protected, enter the password and click **Next**. If not, continue to the next step.

7. If you selected only one client, go to step 8. If you selected multiple clients, do one of the following:

  ▪ If a selected client has been previously imported to this return, select it and click **Next**. This lets the program know what existing entities need to be appended or replaced for asset data associated with this client. New entities will be created for the imported assets of the additional listed clients.

  ▪ If none of the listed clients have been imported to this return before, click **Next**.

8. Choose one of the following import options:

  ▪ Select **Totals only** to import current depreciation total figures for each entity to the Depreciation and Amortization Worksheet (Form 4562) in Worksheet view and Interview Forms DP-5, DP-6, DP-7, and DP-8. Click **Next** and go to step 10.

  ▪ Select **Asset detail** to import current depreciation detail for each asset to the Depreciation and Amortization Worksheet (Form 4562) for each entity in Worksheet view and to Interview Forms DP-1, DP-2, DP-3, and DP-4. Click **Next** and continue to the following step.

  Note: Whether you select to import Totals only or Asset Detail, all existing asset detail and total amounts in the return will be deleted and replaced with the CCH ProSystem *fx* Fixed Assets data.

9. Choose one of the following options and click **Next**.

  ▪ Current Year Acquisitions only
  ▪ Current Year Dispositions only
  ▪ Both Current Year Acquisitions and Current Year Dispositions
  ▪ Append and Update all Assets
  ▪ Full Import

  Note: If this is the first time an import has been implemented for this return, you will have to do a full import. All existing asset detail will be overwritten.

10. If there are entities within CCH ProSystem *fx* Fixed Assets that do not exist within the tax return, select one of the following options and click **Next**.

  ▪ Choose **Add entity** to create the entity in the tax return and import the assets associated with it in CCH ProSystem *fx* Fixed Assets.

  ▪ Choose **Bypass entity** if you do not wish to create the entity in the return. Assets associated with these entities will not be imported.

11. A confirmation dialog displays the return ID, client's name and tax year, and the method of import. Do one of the following:

  ▪ Click **Finish** to begin importing asset data into the return.
  ▪ Click **Back** to return to the previous step in the import process.

Note: If importing a large CCH ProSystem *fx* Fixed Assets file (over 5,000 KB) into CCH Global *fx* Tax, you will receive a prompt indicating the file is large and will be submitted for processing at the server. The return will be closed and unavailable for editing until the import has completed. You can check the Job Status in Production Processing to check the status of the import.

12. When the import has finished, a successful import message will display. Click **OK**.

Overview of Importing Data into CCH Access Tax

CCH ProSystem *fx* Fixed Assets data for one or more clients can be imported into a return in CCH Axcess Tax. The import process takes place in CCH Axcess Tax.

Note: It is recommended that you save the return before beginning the import process.

Points to Remember when Importing Data into CCH Axcess Tax:

- The current year period of the CCH ProSystem *fx* Fixed Assets file being imported must match the tax year of the open return.
- The SSN or EIN of the CCH Axcess Tax return and Fixed Assets client files do not need to match for the import process to work. You will receive a warning dialog if there is a mismatch.
- When importing data to CCH Axcess Tax from Fixed Assets, you are given the choice of importing asset data as asset detail or totals only. Data populates the Depreciation and Amortization Worksheet (Form 4562) for each entity.
- During the import, CCH Axcess Tax deletes assets in the return associated with the entities being imported and replaces the existing asset data with the CCH ProSystem *fx* Fixed Assets data.
- The following assets are not imported from CCH ProSystem *fx* Fixed Assets:
    - Assets marked as inactive on the Detail tab.
    - Previously disposed assets, if the asset's disposed date is prior to the tax year of the return.
    - Assets with a date in service after the tax year of the return.
- Entities in the return that do not have corresponding asset data in CCH ProSystem *fx* Fixed Assets remain as they were prior to the import.
- If there is a conflict between asset data from CCH ProSystem *fx* Fixed Assets and the return data regarding the use of totals only and asset detail, CCH Axcess Tax will give you the choice of stopping the import and changing the method of import or continuing.
- When importing asset detail, you can import current year acquisitions, dispositions, or both.
- To import data from CCH ProSystem *fx* Fixed Assets, you must close the CCH ProSystem *fx* Fixed Assets client file.

Importing Data into CCH Axcess Tax

If a CCH Axcess Tax client is password protected, you will be prompted for the password during the import process.

📒 Notes:

- We recommend that you save the return (File > Save) before beginning the import process.
- To import data from CCH ProSystem *fx* Fixed Assets, you must close the Fixed Assets client file.

To import CCH ProSystem *fx* Fixed Asset data into CCH Axcess Tax return, do the following:

1. In CCH Axcess Tax, open the return to import asset data.
2. Select **Fixed Assets** > **Fixed Assets** in the Import group on the *Import / Export* tab.
3. If the CCH ProSystem *fx* Fixed Assets file is not in the default location specified in Fixed Assets, click **Browse** to navigate to the file.
4. Select the CCH ProSystem *fx* Fixed Assets client file(s) to import.

   📒 Notes:

   - The CCH ProSystem *fx* Fixed Assets client type and current year beginning and ending dates must match the tax return.
   - If you want to import multiple files, you must import them at the same time.
5. Select **Save client return before import** to save the return before performing the import.
6. If you selected only one client, go to step 7. If you selected multiple clients, do one of the following:

   - If a selected client has been previously imported to this return, select it and click **Next**. This lets the program know what existing entities need to be appended or replaced for asset data associated with this client. New entities will be created for the imported assets of the additional listed clients.
   - If none of the listed clients have been imported to this return before, click **Next**.
7. Click **Next** to continue.
8. If prompted, enter the password, and then click **Next**.
9. Select the import method.

   - **Totals only**. Current depreciation totals for each entity in the CCH ProSystem *fx* Fixed Assets system will be imported to the Depreciation and Amortization Totals worksheet for each business, rent, royalty, farm, or depletion entity. Existing totals in the return for these entities will be overwritten.
   - **Asset detail**. Current depreciation totals for each entity in the CCH ProSystem *fx* Fixed Assets system will be imported to the Depreciation and Amortization worksheet for each business, rent, royalty, farm, or depletion entity. Existing totals in the return for these entities will be overwritten.

- If you select this option, you also must choose one of the following asset detail methods from the list:
  - Import current year acquisitions only
  - Import current year dispositions only
  - Import only current year acquisitions and dispositions
  - Append and update all assets
  - Full import (overwrites all asset detail data)

  📒 Notes:
  - If you are doing an initial import (no depreciation or disposition data on the input forms or worksheets), only Current year acquisitions and Full import are available.
  - Entities that do not have corresponding asset data in CCH ProSystem *fx* Fixed Assets remain as they were prior to import.
  - Inactive, disposed, or future year assets will not be imported from Fixed Assets.

10. Select to either add an entity or bypass the entity when handling a fixed asset entity that does not already exist in the return.

11. Review the information selected for import, and, if the information is correct, click **Next** to begin the data validation.

12. Examine the validation log and make your selection for handling the log summary.
    - **Validation succeeded**. You can continue with the next step.
    - **Validation partially succeeded**. This message indicates that some data in the source file cannot be imported successfully. You can click **Details** to view information about the problematic data. You can continue with the import, and all the data will be imported except the records identified as having errors.
    - **Validation failed**. The data file cannot be imported in its current form. You can click **Details** to view information about why the validation failed. If needed, you can print or copy the log. After viewing the log, you must exit the wizard so you can resolve the validation issues before trying the import again.

13. Click **Import** to begin the import.

    📒 Note: You cannot cancel the import once it has begun.

14. If needed, click **Details** to view the Detail Log for the import. The detail log will not be available after you close the import wizard. If you need to maintain a record of the import, do one of the following on the Detail Log window:
    - Click **Print** on the Detail Log window to send the file to your printer.
    - Click **Copy** to copy the information in the log to the clipboard so you can paste it into another document.

15. Click **Finish** to exit when the import is complete.

Note: The return must be recalculated for the program to indicate there is data present on the worksheets.

Overview of Importing Data from Other FAM Products

This section provides instructions for importing data from various file types into CCH ProSystem *fx* Fixed Assets. Data can be imported from the following popular fixed asset management programs:

Application	Version
Asset Keeper Pro	2013 - 2015
BNA	2014.0.1.3 - 2016.0.0.18
Fixed Assets CS	2013.1.14 - 15.1.6
Intuit® EasyACCT® Professional Series	2013.2.9 - 2015.2.06
Sage® Fixed Assets	2014.1 - 2016.1

Note: Imports are not supported for application releases prior to the versions listed.

Data to be Imported

Below is a general list of some of the data that will be imported into CCH ProSystem *fx* Fixed Assets:

- **Client level information**. Name, Client ID, EIN, Product type, fiscal year beginning and end dates
- **Field information**. Names of system and user-defined fields
- **Asset detail**. Items that occur only once per asset, such as description, date acquired, tax schedule, and Serial number
- **Depreciation detail**. Book values for each asset (for example, Type of Property, Method, Life)

Points to Remember:

- Depreciation data is assumed to be for the full year and will be treated as a user override.
- CCH ProSystem *fx* Fixed Assets accepts a maximum of eight books. To import a subset of books or fields, you must make a copy of the original file and remove all books or fields except the ones to be imported using the original application.
- The current year beginning and end dates, entity start date, prior short years, and entity type of the file being imported must match that of the target file. If the information does not match, the import will abort.
- Excel® spreadsheets detailing the fields converted from competitor products can be found on the CCH ProSystem *fx* Fixed Assets installation folder.

> **Note**: For further detail on data imported into CCH ProSystem *fx* Fixed Assets or product specific conversion issues, see the spreadsheets contained in the ?:\info folder on the Fixed Assets installation folder (where ? represents the drive where Fixed Assets is installed).

Importing Data from Asset Keeper Pro

(File > Import > Various File Types > Asset Keeper)

Excel® spreadsheets detailing the fields converted from competitor products can be found on the CCH ProSystem *fx* Fixed Assets installation folder.

Use the following steps to import data from Asset Keeper into CCH ProSystem *fx* Fixed Assets:

> **Note**: Asset Keeper Pro must be installed on the same drive as CCH ProSystem *fx* Fixed Assets.

1. Open the CCH ProSystem *fx* Fixed Assets client file that data will be imported to.
2. To display the *Client Data Path* dialog, do one of the following:
   - Select **File > Import > Various File Types > Asset Keeper Pro**.
   - Click **Import Various File Types** and select **Asset Keeper Pro**.
3. Enter the drive, directory, and name of the Asset Keeper Pro data file in the *Client Data Path* box, or click **Browse** to search for the file. Click **OK** to continue.
4. Click **OK** to start importing the client data.

If exceptions occur during the import process, an exception log displays when the import is complete. Click **Yes** to view the log. The log lists exceptions and the exception disposition by asset number. Click **Print** to print a hard copy.

Asset Keeper Pro Conversion Issues

The following information cannot be converted:

- Sort codes
- "New" or "Used" designation for ITC property

Importing Data from BNA

(File > Import > Various File Types > BNA)

BNA files cannot convert directly into CCH ProSystem *fx* Fixed Assets. CCH® Conversion Services, however, can convert the files to a format that is compatible with CCH ProSystem *fx* Fixed Assets.

Copy the BNA files (with .cdb extensions) to CD and mail to:

CCH Conversion Services

Attn: File Processing

580 Naches Ave SW, Bldg #D2

Renton, WA 98057-2297

Importing Data from Fixed Assets CS

(File > Import > Various File Types > Fixed Assets CS)

Use the following steps to import data from Fixed Assets CS into CCH ProSystem *fx* Fixed Assets. Neither application must be installed.

Excel® spreadsheets detailing the fields converted from competitor products can be found in the Fixed Assets installation folder.

1. Open the Fixed Assets client file that data will be imported to.

2. Do one of the following to display the *Client Data Path* dialog:
   - Select **File > Import > Various File Types > Fixed Assets CS**.
   - Click **Import Various file Types** and select **Fixed Assets CS**.

3. Enter the drive, directory, and name of the data file in the *Client Data Path* box, or click **Browse** to search for the file. Click **OK** to continue.

   Note: When browsing for Fixed Assets CS data, you are only able to select the folder containing the data files.

4. Click **OK** to start importing the client data.

Fixed Assets CS Depreciation Solution Conversion Issues

- Life of asset determines Real Property Code.
- Preparer-defined depreciation methods cannot be converted.
- Additional data that cannot be converted:
  - Home Office
  - Related Party Information
  - State and Local Information: State postal code, Local government code, Local government date
  - Some ITC Codes

Importing Data from Intuit® EasyACCT®

(File > Import > Various File Type > Intuit® EasyACCT® Professional Series)

Excel spreadsheets detailing the fields converted from competitor products can be found in the Fixed Assets installation folder.

Use the following steps to import data from Intuit® EasyACCT® into CCH ProSystem *fx* Fixed Assets.

1. Open the CCH ProSystem *fx* Fixed Assets client file that data will be imported to.
2. To display the *EasyAcct® Data Import* dialog, do one of the following:
   - Select **File > Import > Various File Types > Intuit® EasyACCT® Professional Series**.
   - Click **Import Various File Types** and select **Intuit® EasyAcct® Professional Series**.
3. Enter the drive, directory, and name of the data file in the *Client Data Path* box, or click **Browse** to search for the file. Click **OK** to display the *EasyAcct® Data Import* dialog.
4. Select a client to import into CCH ProSystem *fx* Fixed Assets and click **OK**.

If exceptions are found during the import, you are given the option to view and print them.

Importing Data from Sage® Fixed Assets

(File > Import > Various File Types > Sage® Fixed Assets)

This procedure can be used to import data files from Sage® Fixed Assets for Windows®.

Excel® spreadsheets detailing the fields converted from competitor products can be found in the Fixed Assets installation folder.

Use the following steps to import data from Sage® Fixed Assets into CCH ProSystem *fx* Fixed Assets:

📝 **Notes**:

- Sage® must be installed on the same drive as CCH ProSystem *fx* Fixed Assets.
- Custom depreciation methods are imported as *Preparer Computed*.

1. Open the CCH ProSystem *fx* Fixed Assets client file that data will be imported to.
2. To display the *Client Data Path* dialog, do one of the following:
   - Select **File > Import > Various File Types > Sage® Fixed Assets**.
   - Click **Import Various File Types** and select **Sage® Fixed Assets**.
3. Enter the drive, directory, and name of the Sage® Fixed Assets client database file in the *Client Data Path* box, or click **Browse** to search for the database file. Click **OK** to display the *Sage® Data Conversion* dialog.
4. Select a client and click **OK** to start importing the client data.

If exceptions occur during the import process, an exception log displays when the import is complete. Click **Yes** to view the log. The log lists exceptions and the exception disposition by asset number. Click **Print** to print a hard copy.

Sage® Fixed Assets Conversion Issues

- For optimal conversion performance, it is recommended that both Sage® and CCH ProSystem *fx* Fixed Assets software be installed on the same drive.

- The last period calculated in Sage® (all assets and all books) must reflect the Current Year Ending date entered in the CCH ProSystem *fx* Fixed Assets *Client Properties* dialog.

- The following depreciation methods cannot be converted:
  - RV = Remaining value over remaining life
  - OC = Own depreciation calculation

- A property type of V (Vintage account) cannot be converted.

Overview of Importing Data from User-Defined Files

CCH ProSystem *fx* Fixed Assets offers multiple options for decreasing data entry time. The user-defined import feature is one of those options. This feature provides the option to import fixed assets data that has been entered into a spreadsheet or exported from another fixed assets management program to a spreadsheet or ASCII comma delimited file. You have the option to overwrite or append to the existing data.

⚠️ Points to Remember:

- **Data imported**. The user-defined import option does not import client profile data or information on entities that assets may be attached to in a tax system. Only asset detail can be imported.

- **Spreadsheets**. Spreadsheets selected for import must be in Excel® format. The data must be on one worksheet, not spread across multiple sheets.

- **ASCII character delimited (CSV) files**. Any ASCII character delimited file can be imported. The commonly used file extension of *.CSV is not required. Various value separators (for example, tabs, colons, spaces) are supported.

- **Data format**. For a successful import, fixed assets data must be stored in a specific format. Each column of data should represent a field. Each row of data should represent an asset. The initial row may contain field headers, but this is optional.

- **Editing a translation table**. Changing data file settings (for example, value separator characters, location of headers and import data in source file) after mapping fields resets all existing map settings.

Importing Data from Excel® Spreadsheets

(File > Import > Various File Types > User defined import)

This procedure will walk you through the steps of importing data from an Excel® file into Fixed Assets.

When importing data from an Excel® spreadsheet into an existing CCH ProSystem *fx* Fixed Assets file, you have the option to overwrite or append to the existing data. When appending an asset, the next number after the greatest system number is assigned.

1. To import data from an Excel® spreadsheet, do the following:

   - Select **File > Import > Various File Types > User defined import**.
   - Click **Import Various File Types** and select **User defined import**.

2. At the lower left of the dialog, select one of the following:

   - Overwrite existing assets
   - Append to existing assets

3. Enter the path to the Excel® spreadsheet file (*.xls or .xlsx) in the *Path* field or use the **Browse** button to locate the file.

4. Do one of the following:

   - If you are importing a file using an existing Translation table, select the table from the *Select table* drop-down list and click **OK**. The import process will begin.

     Note: An existing translation table can be edited during an import by clicking the Edit button after the table has been selected.

   - If you are importing a file and a translation table does not exist, enter the name of the translation table in the *Select table* field. Click **Edit Table**. Click **Yes** on the confirmation dialog to display the *Import File Translation* dialog and continue to the next step.

5. If the first row of your data file contains field headings, leave the *Source file has headings* box checked (default). Uncheck this box if there are no field headings in the file. When you uncheck this option, the header row location fields will become disabled.

   Note: If the *Source file has headings* option is unchecked, the field folders in the Source file data tree will be labeled Column 1, Column 2, etc.

6. Enter the number of the first row where the field headings exist in the *First heading row* field. If field headers exist on two lines, enter the row number of the second row containing headers in the *Second heading row* field.

7. Enter the number of the row where the first line of data begins in the *First data row* field.

8. If your spreadsheet contains multiple worksheets, enter the sheet number where your data is located in the *Excel ® worksheet* field.

9. Map fields and field values from the data file to their corresponding CCH ProSystem *fx* Fixed Assets values listed in the *Translation table* tree.

> Note: You cannot map a field's values before mapping its header or folder.

To map a field, do one of the following:

- Highlight the field folder in the *Source file data* tree. Locate and highlight the equivalent CCH ProSystem *fx* Fixed Assets field in the *Translation table* tree. Click the **Right Arrow** between the two trees to link the selected fields.

- When mapping to a CCH ProSystem *fx* Fixed Assets field with a list of items (such as, Methods) you will be prompted to map field values from your data file to the associated CCH ProSystem *fx* Fixed Assets list items.

- Highlight a field folder in the *Source file data* tree then drag it to the associated field in the *Translation table* tree.

10. Once mapping is complete, click **OK**.

11. Click **OK** to begin the import process.

> Notes:

- Field links must exist for the CCH ProSystem *fx* Fixed Assets *Date in service* and *Method* fields. These are located in the Required entries folder of the Translation table tree. The import process will not be successful if source file data has not been mapped to these fields.

- To unlink items, highlight a linked field folder or value in the Source file data tree. Locate and highlight the associated CCH ProSystem *fx* Fixed Assets field or value in the *Translation table* tree. Click the **Left Arrow** between the two trees to unlink the selected fields.

- Changing values in the *Source file attributes* section after mapping fields will reset all existing map settings.

Importing Data from ASCII Character Delimited Files

(File > Import > Various File Types > User defined import)

You can import any comma-delimited ASCII file. A file extension of *.CSV is not required.

1. To display the *User Defined Data File Import* dialog, do one of the following:
   - Select **File > Import > Various File Types > User defined import**.
   - Click **Import Various File Types** and select **User defined import**.

2. At the lower left of the dialog, select one of the following:
   - Overwrite existing assets
   - Append to existing assets

3. Enter the path to the ASCII data file in the *Path* field or use the **Browse** button to locate the file.

4. Do one of the following:

- If you are importing a file using an existing Translation table, select the table from the *Select table* drop-down list and click **OK**. The import process will begin.

  Note: An existing translation table can be edited during an import by clicking the Edit button after the table has been selected. Remember, changing any source file attributes resets your map settings.

- If you are importing a file and a translation table does not exist, enter the name of the translation table in the *Select table* field. Click **Edit Table**. A confirmation dialog will display. Click **Yes**. Continue to step 5.

5. Select the character separator used in your data file from the *Value separator character* drop-down list. If you are using a separator that is not listed, select Other and enter the character in the *Other value* separator field.

  Note: If the *Source file has headings* option is unchecked, the field folders in the Source file data tree will be labeled Column 1, Column 2, etc. In addition, if the source data file contains headers, they are imported into CCH ProSystem *fx* Fixed Assets as data.

6. If the first row of your data file contains field headings, leave the *Source file has headings* box checked (default). Uncheck this box if the data file does not contain field headings.

7. Map fields and field values from the data file to their corresponding CCH ProSystem *fx* Fixed Assets values listed in the *Translation table* tree.

  Note: You cannot map a field's values before mapping its header or folder.

  To map a field, do one of the following:

- Highlight the field folder in the *Source file data* tree. Locate and highlight the equivalent CCH ProSystem *fx* Fixed Assets field in the *Translation table* tree. Click the **Right Arrow** between the two trees to link the selected fields.
- When mapping to a CCH ProSystem *fx* Fixed Assets field with a list of items (such as, Methods) you will be prompted to map field values from your data file to the associated CCH ProSystem *fx* Fixed Assets list items.
- Highlight a field folder in the *Source file* data tree and drag it onto its associated field in the *Translation table* tree.

8. Once mapping is complete, click **OK**.

9. Click **OK** to begin the import process.

Notes:

- Field links must exist for the CCH ProSystem *fx* Fixed Assets *Date in service* and *Method* fields. These are located in the Required entries folder of the Translation table tree. The import process is not successful if source file data has not been mapped to these fields.

- Changing values in the *Source file attributes* section after mapping fields resets all existing map settings.

- To unlink items, highlight a linked field folder or value in the *Source file data* tree. Locate and highlight the associated CCH ProSystem *fx* Fixed Assets field or value in the translation table tree. Click the **Left Arrow** between the two trees to unlink the selected fields.

Chapter 8

DEPRECIATION COMPUTATIONS

This is a reference chapter. Some topics covered in the chapter are:

- Depreciation Methods
- Section 179 Expense Limits
- Section 179 Recapture and Section 280F Recapture
- Electric and Luxury Auto Limitations
- Section 179 expense limits for property placed in an empowerment zone, New York Liberty Zone, or Disaster Zone

Please see the Table of Contents for the complete list of subjects covered in this chapter.

Accelerated Cost Recovery System (ACRS), Optional ACRS Straight Line Method

Assets placed in service before January 1, 1987 and after December 31, 1980 are generally depreciated using the Accelerated Cost Recovery System (ACRS) for federal purposes Depreciation for ACRS assets is calculated using the tables specified in Regulation Section 1.168-2(b) and in IRS Publication 534.

Asset Life

For ACRS personal property the asset lives are 3, 5, and 10 years. The recovery periods under the optional ACRS straight line method are listed below.

3-year property	3, 5, or 12 years
5-year property	5, 12, or 25 years
10-year property	10, 25, or 35 years

For ACRS real property that is not low-income housing property, valid asset lives are 15, 18, or 19 years. If the optional ACRS straight line method is used, the valid asset lives are 15, 18, 19, 35, or 45 years.

For low-income housing property, the valid asset life is 15 years. Valid recovery periods when using the optional ACRS straight line depreciation method include 15, 35, or 45 years.

For public utility property, the valid asset life is 15 years. Valid recovery periods when using the optional ACRS straight line depreciation method include 15, 35, or 45 years.

Alternative Minimum Tax (AMT), Adjusted Current Earnings (ACE)

For ACE purposes, the depreciation is computed using the straight line depreciation method as prescribed under the Alternative Depreciation System (ADS). The depreciation life is the recovery period under the ADS system that is remaining at the start of the first tax year beginning after 1989. The depreciable basis used to compute the ACE depreciation is the adjusted basis for regular tax purposes as of the close of the last tax year beginning before 1990.

The default ADS lives for the various ACRS property classes are as follows:

ACRS	ADS Assumption
3 year property	5 year property (half-year convention)
5 year property	8 year property (half-year convention)
10 year property	15 year property (half-year convention)
ACRS real property	40 years (mid-month convention)

For AMT purposes, the amount of regular tax depreciation in excess of the amount computed using the straight line method is a tax preference item. This computation of the tax preference item is done on an asset by asset basis.

Modified Accelerated Cost Recovery System (MACRS), (ADS)

The Tax Reform Act of 1986 requires most assets, placed in service after December 31, 1986, to be depreciated using Modified Accelerated Cost Recovery System (MACRS) depreciation methods and allowed MACRS depreciation to be elected for assets placed in service after July 31, 1986. MACRS contains two different depreciation systems, the General Depreciation System (GDS) and the Alternative Depreciation System (ADS). For CCH ProSystem *fx* Fixed Assets purposes, the GDS system is referred to as MACRS and the Alternative Depreciation System is referred to as the ADS system.

Section 168(k) Bonus Depreciation

The Job Creation and Worker Assistance Act of 2002 (JCWA, H.R. 3090) added Section 168(k), which modified the depreciation calculation for many MACRS assets. The Job Creation and Worker Assistance Act of 2002 (JCWA, H.R. 3090) was later amended by the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Job Creation Act of 2010 (HR 4853) and the Economic Stimulus Acts of 2008, 2009, 2010, and 2015.

Qualified MACRS assets and certain computer software are eligible for a deduction equal to 30%, 40%, 50%, or 100% of the property's depreciable basis in the year placed in service. The deduction is not prorated for short tax years, but allowed in full in the year the asset is placed in service. This deduction is allowable for both AMT and ACE computations.

To qualify for the special depreciation deduction, the asset must meet an original use test, an asset life test, acquisition date, and placed in service date tests (see table below). Generally the asset must have a life of 25 years or less; an exception is provided for certain qualified leasehold improvements to nonresidential property that can have a 39 year life. The original use test generally precludes used property from qualifying for the additional depreciation.

Certain property is ineligible for this special depreciation allowance. Property that must be depreciated using the ADS method does not qualify for the special depreciation allowance; however, the special depreciation can be claimed on property depreciated using ADS if that property qualifies to use the General Depreciation System (GDS).

If the qualifying property is subject to the luxury auto limits, the applicable limit is increased by $4,600, $4,800, $6,400, $7,650, or $8,000. These increases are not adjusted for inflation.

If the property has a recovery period of at least 10 years or is transportation property, the property can be placed in service a year beyond the ending date displayed in the table below and still qualify for the specific bonus.

Taxpayers can elect out of the bonus rules as desired.

Beginning Date	Ending Date	Bonus Rate	Auto Limit Increase
9/11/2001	12/31/2004	30%	$4,600
5/6/2003	12/31/2004	50%	$7,650
1/1/2008	9/8/2010	50%	$8,000
9/9/2010	12/31/2011	100%	$8,000
1/1/2012	12/31/2017	50%	$8,000
1/1/2018	12/31/2018	40%	$6,400
1/1/2019	12/31/2019	30%	$4,800

New York Liberty Zone Provision

Special depreciation provisions also apply to property placed in service in the New York Liberty Zone, located in New York City. These assets can qualify for a deduction equal to 30% of the property's depreciable basis in the year placed in service. Like the deduction allowed under Sec. 168(k), this deduction is allowable for both AMT and ACE computations. The deduction is not prorated for short tax years, but allowed in full if the year the asset is placed in service is a short tax year.

Aside from the requirement that the asset be placed in use in the Liberty Zone, the requirements for qualified New York Liberty Zone property are less stringent than those for Sec. 168(k) assets. Nonresidential and residential rental property in New York Liberty Zone can qualify for the additional depreciation to the extent it rehabilitates or replaces real property damaged or destroyed in the September 11 terrorist attack. Also, the property can be used property, provided the asset had not been previously used in the New York Liberty Zone. To qualify, the asset must be placed in service prior to January 1, 2007, or January 1, 2010, in the case of nonresidential or residential rental property.

Certain property is ineligible for this special depreciation allowance. Property that qualifies for the additional 30% depreciation under Sec. 168(k) is not eligible for this deduction, nor does property that must be depreciated using the ADS method. Qualified New York Liberty Zone leasehold improvements are also ineligible for the special 30% depreciation allowance.

Qualified New York City leasehold improvements to nonresidential real property located in the New York Liberty Zone can be depreciated using a 5 year life instead of a 39 year life. Under the ADS method, these assets have a life of 9 years. These assets must be depreciated using the straight line depreciation method.

Bonus Depreciation for Disaster Zone Property

Taxpayers may claim an additional first-year depreciation allowance equal to 50 percent of the adjusted basis of qualified Gulf Opportunity Zone property acquired on or after Aug. 28, 2005, and placed in service on or before Dec. 31, 2007. The bonus depreciation allowance is in accordance with the Gulf Opportunity Zone Act of 2005. This is only applicable to certain counties in Alabama, Louisiana, and Mississippi. See IRS Publication 4492 for a list of the counties that are within the Disaster Zone. Taxpayers may claim an additional 50% first-year depreciation allowance for property that commences in use in the Kansas disaster area after May 4, 2007 and placed in service on or before December 31, 2008. For nonresidential and residential real property, the assets must be placed in service on or before December 31, 2009. Taxpayers may claim an additional 50 percent first-year depreciation allowance for property placed in service on or after 2008 and before 2012 (2013 for nonresidential and residential real property) in an area designated as a disaster area.

Generally, the Disaster Zone bonus deduction will be equal to 50 percent of the cost of the property after reduction of the cost by any amount expensed under Section 179. MACRS depreciation deductions are then computed on the cost as reduced by the expensed amount and the bonus deduction.

Bonus Depreciation for Cellulosic Biomass Ethanol Property

Taxpayers may claim an additional first-year depreciation allowance equal to 50 percent of the adjusted basis of qualified cellulosic biomass ethanol plant property acquired on or after December 21, 2006, and placed in service on or before December 31, 2016.

Bonus Depreciation for Reuse and Recycling Property

Taxpayers may claim an additional first-year depreciation allowance equal to 50 percent of the adjusted basis of qualified reuse and recycling property acquired on or after August 31, 2008.

Asset Life

The recovery period or life used for MACRS must be either 3, 5, 7, 10, 15, 20, 25, 27.5, 31.5, 39, or 50 years. If a MACRS method other than the ADS method is entered, and the life entered is not 3, 5, 7, 10, 15, 20, 25, 27.5, 31.5, 39, or 50 years, a 5 year life is assumed for computation purposes.

Under ADS, the recovery period or life is the asset's class life or the life as established by statute.

The life used for regular tax purposes is the life used to compute the AMT depreciation if the asset was placed in service after 1998.

If the asset was placed in service prior to 1999, the life used for AMT purposes is determined by reference to the life used for regular tax purposes. Below are the assumed AMT lives, based upon the life entered for federal tax purposes.

Federal Life	AMT Life
3 years	3 years
5 years	5 years
7 years	10 years
10 years	16 years
15 years	20 years
20 years	25 years
25 years	50 years
27.5 years	40 years
31.5 years	40 years
39 years	40 years
50 years	50 years

For ACE purposes, depreciation is computed using the AMT life mentioned above.

Averaging Convention

Both depreciation systems utilize an averaging convention. The averaging convention used is the half-year, mid-quarter, or mid-month convention. The mid-month convention is applied to MACRS assets with a 27.5, 31.5, 39, or 50 year life and ADS assets with a 40 year life. The mid-quarter or half year convention is applied to assets with either 3, 5, 7, 10, 15, 20, 25 year life.

The half-year convention assumes that the asset is placed in service at the mid-point of the tax year. The mid-month convention assumes that the asset is placed in service at the mid-point of the applicable month.

The mid-quarter convention assumes that the asset is placed in service at the mid-point of the computed quarter. The mid-quarter convention, rather than the half-year convention, must be used to compute depreciation on assets placed in service during the current tax year if more than forty percent of the business portion of tangible depreciable personal property assets are placed in service during the last quarter of the tax year. CCH ProSystem *fx* Fixed Assets determines whether the use of the mid-quarter convention is required. This calculation can be overridden by forcing a convention in the book setup. If required, this convention computes the depreciation deduction for assets placed in the current tax year. Assets with a depreciable life of 3, 5, 7, 10, 15, 20, or 25 years are assumed to be tangible depreciable personal property assets and are included in the forty percent test calculation.

The convention methods described above apply for all MACRS assets for Tax, AMT, and ACE depreciation purposes. It is also the default convention for State depreciation purposes.

The default convention for Financial depreciation purposes is an Actual month convention method where depreciation is computed based on the number of months that the asset was placed in service in the tax year. An asset placed in service in the first half of the month is deemed to have been placed in service on the first day of the month. An asset placed in service in the second half of the month is deemed to have been placed in service on the first day of the following month.

> **Note**: Computer Software, Amortized, and Non-Recovery Straight Line assets offer the Full Month convention. The Full Month convention treats the asset as if placed in service on the first day of the month. No depreciation is calculated for the last month of the asset's life or the month the asset is sold. The Actual Month convention is used if the convention is N/A.

Depreciation Rate

Under MACRS, assets are depreciated using the straight line method, 200% declining balance method or 150% declining balance method. Under the 200% declining balance method or 150% declining balance method, a switch to the straight line method of depreciation is made in the year in which the straight line method generates a larger depreciation deduction.

MACRS allows assets with a 3, 5, 7, and 10 year life to be depreciated using the 200% declining balance, 150% declining balance, or straight line method. Assets with a 15 or 20 year life can be depreciated using 150% declining balance or the straight line method. Assets with a 25, 27.5, 31.5, 39, or 50 year life can be depreciated only by using the straight line method.

The straight line depreciation method is the only depreciation method allowable under ADS.

For AMT depreciation purposes, the 150% declining balance method is used unless the straight line depreciation method is used for federal tax purposes or bonus depreciation has been elected. In these cases, the AMT depreciation is computed using the federal tax method.

For ACE purposes, the straight line method prescribed under ADS is used for all assets placed in service prior to 1994. ACE depreciation for assets placed in service after 1993 is computed using the method used for alternative minimum tax purposes.

Note: If the Financial book Compute Basis As… field in Book Setup is set to None, then the default depreciation method for financial purposes is the straight line method.

MACRS Tables Method

In computing depreciation under the MACRS tables method, depreciation is computed by multiplying the depreciable basis by the applicable percentage. These percentages are derived from IRS-prepared depreciation tables that can be found in IRS Publication 946.

The depreciable basis is computed as cost minus Section 179 expense, ITC basis reduction, and Section 168(k) bonus depreciation.

MACRS Calculated Method

Under the MACRS calculated method, depreciation is calculated by dividing the depreciable asset's basis by the asset's life. This amount is multiplied by the applicable declining balance percentage, such as 150%, or 200%.

A switch to the straight line method of depreciation is made in the year in which straight line method generates a larger depreciation deduction.

The depreciable basis is computed as cost minus Section 179 expense, ITC basis reduction, Section 168(k) bonus depreciation, and accumulated depreciation.

Pre-ACRS, Financial or Book Depreciation Methods

Assets placed in service before January 1, 1981, generally are depreciated using pre-ACRS methods for federal tax purposes. These depreciation methods are also applicable for financial or book purposes. These methods include declining balance method, nonrecovery straight line method, sum of the years digits method, and the units of production method.

Declining Balance Method

Under the declining balance method, the amount of depreciation for each year is subtracted from the basis of the property (determined without regard to salvage value). This amount is multiplied by a uniform rate that is 200%, 150% or 125% of the straight line rate. Depreciation can also be calculated under the declining balance method where the method is switched to the straight line method when the depreciation computed under the straight line method is greater.

Nonrecovery Straight Line Method

Depreciation is calculated under the nonrecovery straight line method by dividing the asset's cost by the asset's life. This method provides a uniform depreciation amount throughout the asset's life.

Sum of the Year's Digits Method

The sum of the year digits method is similar to the declining balance depreciation method in that it is an accelerated depreciation method. Depreciation is computed by reducing the asset's cost by its salvage value and multiplying this cost by a fraction. The denominator of the fraction is the sum of the numbers that represent the total life of the asset and the numerator corresponds to the remaining useful life of the asset. The numerator is decreased each year while the denominator remains constant.

Units of Production Method

Under the units of production method, depreciation is calculated by multiplying the cost by a fraction. The numerator is the current period units produced and the denominator is the estimated total number of units to be produced during the life of the asset. If this method is chosen, the total number of units to be produced over the asset's life should be entered in the life box.

Alternative Minimum Tax (AMT), Adjusted Current Earnings (ACE)

The amount of depreciation calculated for regular tax purposes is the depreciation amount for ACE purposes if the asset was placed in service prior to 1981 or if the units of production method is used to compute regular tax depreciation.

For Alternative Minimum Tax purposes, the amount of regular tax depreciation in excess of the amount computed using the straight line method is a tax preference item. This computation of the tax preference item is done on an asset by asset basis. Depreciation for assets depreciated using the units of production method is not considered a tax preference item.

Averaging Convention

The default convention for Financial depreciation purposes is an Actual month convention method where depreciation is computed based on the number of months that the asset was placed in service in the tax year. An asset placed in service in the first half of the month is deemed to have been placed in service on the first day of the month. An asset placed in service in the second half of the month is deemed to have been placed in service on the first day of the following month.

Depreciation Methods Not Calculated

CCH ProSystem *fx* Fixed Assets does not calculate depreciation expense on assets using one of the following property types:

- Foreign Property - Outside U.S.
- Land
- Qualified Lease Property

- Tax Exempt Obligations
- Retirement-Repl-Betterment

The default method for these property types is *No Calc*. To calculate depreciation expense, the method needs to be changed to something other than *Various* or *No Calc*.

📝 **Note**: *No Calc.* is the only method available for Land.

Depreciation in the Year of Disposition

MACRS, ADS Assets

Depreciation is allowed in the year of disposition when the asset is disposed of prior to the end of its recovery period. The depreciation deduction is determined by the date of disposition and the applicable averaging convention.

Depreciation for property depreciated under a half year convention is based upon the depreciation deduction that would have been allowed for the whole year but is reduced by fifty percent since the asset was deemed to have been in service for half of the year of disposition. No depreciation is allowed if an asset is placed in service and disposed of in the same tax year.

Depreciation for property depreciated using a mid-quarter convention is based upon the depreciation deduction that would have been allowed for the whole year. This is prorated based on the number of months the asset was in service in the year of disposition. Under this convention, the asset is deemed to have been disposed of in the middle of the quarter in which the disposition date falls. No depreciation is allowed if an asset is placed in service and disposed of in the same tax year.

Depreciation for property depreciated under a mid-month convention is based upon the depreciation deduction that would have been allowed for the whole year but prorated based on the number of months in the year the asset was in service. The asset is deemed to have been in service for half of the month in which the disposition occurred.

ACRS Assets

No depreciation is allowed in the year of disposition of ACRS personal property. ACRS real property is allowed a depreciation deduction in the year of disposal. Depending on the convention used, ACRS real property is either subjected to a mid-month convention or else no depreciation is allowed for the month of disposition.

Financial Depreciation Purposes

The default convention for Financial depreciation purposes is an Actual month convention method where depreciation is computed based on the number of months that the asset was in service for the tax year. An asset disposed of in the first half of the month is deemed to have been disposed on the first day of the month. An asset disposition occurring in the second half of the month is deemed to have occurred on the first day of the following month. The annual depreciation deduction is prorated for the year of disposition, based on the number of months the asset was deemed to have been in service.

Like-Kind Exchanges

Like-Kind Exchange Computation

Like-kind exchanges allow the deferral of gains/losses on the disposition of an asset until the like property, the continuation asset, is sold. The continuation asset will take up depreciation calculations where the disposed asset left off as of the date of exchange. This treatment will allow the taxpayer to combine the remaining basis of the asset traded in with the boot to arrive at the depreciable cost of a single new asset with a date acquired matching the date of the exchange. If Reg. Sec. 1.168(i)-6t(l) is not elected, the exchange will result in two assets on the books: the continuation asset and the boot asset.

> **Note**: Refer to the Like-kind exchange sections for how CCH ProSystem *fx* Fixed Assets handles these transactions.

If the recovery method or depreciation method of the transferred asset is the same as the replacement asset, the same method or same recovery period is used for the continuation asset. If the replacement asset's life is longer than that of the transferred asset, the depreciation is calculated using the longer asset life of the replacement asset. If the replacement asset's life is shorter than that of the transferred asset, the depreciation is calculated using the longer life of the transferred asset.

If the depreciation method of the replacement asset is less accelerated than that of the transferred asset, the depreciation on the continuation asset is calculated using the less accelerated method starting at the time the replacement asset is deemed to have been placed in service by the taxpayer. If the depreciation method of the replacement asset is more accelerated than that of the transferred asset, the depreciation on the continuation asset is calculated using the less accelerated method that had been used by the transferred asset starting at the time the replacement asset is deemed to have been placed in service by the taxpayer.

As for convention, it appears that the longest convention possible is used. If the transferred asset is depreciated using the mid-month convention, the continuation asset must be depreciated using the mid-month convention even if the property would otherwise have been depreciated using the mid-quarter or half year convention.

If the property acquired is normally depreciated using the mid-month convention, the continuation asset must be depreciated using the mid-month convention, even if the asset that was transferred is depreciated using the half year or mid-quarter convention. If the property transferred was subject to the mid-quarter convention but is exchanged for property that would be depreciated using the half year convention, the mid-quarter convention must be used to calculate the depreciation on the continuation asset.

For example, assume that in Jan. 2005 an office building is acquired for $46,800. In July 2007, the office building is traded for an apartment complex. As of the date of the exchange in July, the asset has accumulated depreciation of $3,000 (1,150 + 1,200 + 650) and a remaining life of 36.5 years (39 yrs - 11.5 months - 12 - 6.5 months). Since the life of the transferred asset is longer than that of the acquired asset, the apartment building is depreciated using the remaining 36.5 years and has $550 in depreciation in 2007 (5.5 months of depreciation). As an alternative, the taxpayer can elect under Reg. Sec. 1.168(i)-6t(I) not to apply this rule. If that election is made, the asset would be treated as a 27.5 year asset placed in service in July 2007 and the depreciation would have been $730. ((46,800 - 3,000) / 27 * 5.5/12).

Assume that a farmer owns a farm machinery shed that has a 20 yr. life and is depreciated using 150% MACRS and the half year convention. He bought the shed in 2005 for $46,800 and claimed total depreciation of $5,133 on the shed for those two years. In March 2007, he trades the shed for an office building with a life of 39 years. The 2007 depreciation on the shed is $1,555 (46,800 - 5,333) /20 * 150% /2 = 1,555. Because under the half year convention, the machine shed was deemed to have been sold on July 1, the office building is deemed to have been acquired on July 1. The machine shed has used up three years of its life at that point (.5 yrs in 2005 + 1 yr. in 2006 + .5 yr in 2007). Accordingly, the office building life of 39 years is reduced by three years to 36 years. The office building is depreciated over a 36 year life using the mid-month convention and a date placed in service on July 1. The depreciation on the office building is $508 (46,800 - 5,333 - 1,555) /36 * 5.5/12 =508.

Also in the event that the asset is transferred before the new property is acquired, the depreciation is suspended for the period from the date of disposition until the new asset is acquired. If the property is acquired in a like kind exchange prior to giving up the property as part of the exchange, it can continue to depreciate until is it actually given up in the exchange.

Unless Reg. Sec. 1.168(i)-6t(I) treatment is elected, the boot portion of the asset is treated as if it is a new asset that is placed in service in the year of replacement. The depreciation on the boot component is depreciated using the applicable recovery period, depreciation method, and convention that apply to the replacement property.

For example, assume that in Jan. 2005 an office building is acquired for $46,800. In April 2007, the office building is traded for a farm machine shed and $1,000 cash is paid and a boot as well. The farm machine shed has a 20 yr. life that is depreciated using 150% MACRS and the half year convention. As of the date of the exchange in April, the asset had accumulated depreciation of $2,700 (1,150 + 1,200 + 350) and a remaining life of 36.75 years (39 yrs - 11.5 months - 12 - 3.5 months). Since the life of the transferred asset is longer than that of the acquired asset, the continuation asset component of the machine shed is depreciated using the remaining 36.75 years of life and will have $850 in depreciation in 2003 (8.5 months of depreciation). The $1,000 of boot will be treated as a 20 year asset, depreciated using 150% MACRS, and a half year convention. The 2007 depreciation on the boot will be $38 (1,000 /20 * 150%/2). The total depreciation would be $1,238 (350 + 850 + 38).

If the taxpayer elects under Reg. Sec. 1.168(i)-6t(I) not to apply this rule, the asset would be treated as a 20 year asset placed in service in July 2007 and the depreciation would have been $2,041. 350 + ((46,800 - 2,700 + 1,000) / 20 * 150% /2).

Luxury Auto limits

For purposes of the following discussion, boot asset limitation means the luxury auto limit in effect for the boot asset component. Transferred asset limitation means the luxury auto limit would have applied to the auto that was the transferred asset. For example, a car is traded in on a new Sec. 168 (k) asset in Dec. 2003, the boot asset limitation would be $10,710 and the transferred asset limitation would be $4,900.

The calculations will have to be reversed in the following instances:

1. First calculate the regular depreciation on the transferred asset, taking into account the luxury auto limits and the applicable convention. For purposes of this computation, the luxury auto limit that is applied is the lesser of the luxury auto limit that applies for the current year or the year that pertains to the life of the transferred asset. For example, assume they have traded in a car acquired in 2000 for a new car in Dec. 2003 that is Sec. 168(k) property. The auto limit that applies to the 2000 asset in its fourth year of life is $1,775 and the auto limit for yr. 1 of a Sec. 168(k) asset is $10,710. In this case, the depreciation on the transferred asset is limited to $1,775.

   If they exchange the auto prior to the end of the year, and acquire the replacement auto in a different tax year, the auto limit for the applicable year is always used. For example, assume that in the example above, they give up the car on Dec. 30, 2003, and they pick up the replacement car on Jan. 2, 2004. In this case, the $1,775 limit is used regardless of what the auto limit is for 2004.

2. After you calculate the depreciation in step one, you calculate any bonus depreciation on the transferred asset if applicable (note that this ordering rule is different than what was in the original Reg. Sec. 1.168(k) and the example it contained). The IRS has revised that regulation and its example so that it follows this computation. Change will be made to all like kind exchange property not just one subject to the luxury auto limits. This bonus depreciation amount is limited to the lesser of the lesser of (a) the bonus depreciation on the transferred asset or (b) the boot asset limitation amount reduced by any normal depreciation claimed on the transferred asset in step one.

3. Claim the half year (or applicable mid-month convention) regular depreciation on the asset basis that was transferred to the new asset. This amount is calculated on the transferred asset's remaining basis, reduced by the depreciation computed in steps one and two. The amount is limited to the lesser of (a) the depreciation calculated under this computation or (b) the smaller of the boot asset limitation or transferred asset limitation reduced by the amounts claimed in steps one and two.

4. Claim any Sec. 179 expense on the boot asset. The Sec. 179 expense is limited to the lesser of (a) the Sec. 179 expense elected on the boot asset or (b) the boot asset limitation amount reduced by any depreciation calculated in steps one through three above.

5. You claim the bonus depreciation on the boot asset. The bonus depreciation is limited to the lesser of (a) the bonus depreciation computed on the boot asset or (b) the boot asset limitation amount reduced by any depreciation and Sec. 179 expense calculated in steps one through four above.

6. You claim the normal depreciation on the boot asset. This amount is limited to the lesser of the normal depreciation calculated or the boot asset limitation reduced by the deductions calculated in the first five steps above.

The calculation of the bonus depreciation on the transferred asset has changed. For example, assume in 2002 they placed in service a 5 yr. Sec. 168(k) property costing $10,000. It is depreciated using 200% MACRS and a half year convention. In 2003, they trade it in for another five year asset and $1,000 in cash. In 2002, they claimed total depreciation of $4,400 (3,000 bonus and $1,400 of regular (7,000 /5 * 200% /2). Under the old regulations, they would have claimed bonus depreciation on the boot asset of $2,800 (5,600 * 50%). The new method of calculating the bonus depreciation on the continuation asset also applies to assets involved in a like kind exchange that are not subject to the luxury auto limits.

Under the new rules, you would first calculate the depreciation on the transferred asset prior to the exchange. In this case, under a half year convention it would be $1,120 (((10,000 - 3,000 - 1,400) * 40%) /2). The asset's basis would be reduced to $4,480. The bonus depreciation would be calculated on the $4,480, giving them a bonus depreciation deduction of $2,240.

However, taxpayers can elect not to apply the new regulations. If they make such an election, the depreciation on the transferred asset is calculated until the date of the transfer (taking into account the applicable convention).The basis of the continuation asset and boot asset are treated as if it were a new asset, depreciated using the new asset's life, method and convention, and deemed to have been placed in service at the time of disposition. The election is made by the entity (taxpayer, partnership, common parent of a consolidated group) that performed the exchange. A separate election must be made for each like kind exchange. The election must be made by the return due date (including extensions) of the taxpayer's federal return for the year in which the replacement property is received. The election is made by printing on top of the Form 4562 Election made under Sec. 1.168 (i) -6T(I) or as otherwise required in the Form 4562 instructions.

Section 179 Expense

Section 179 Expense Computation

The maximum annual Section 179 expense deduction for various tax years can be found in the table below:

Tax Year Beginning in	Sec. 179 Expense Limit	Investment Limit
2000	$20,000	$200,000
2001 or 2002	$24,000	$200,000
2003	$100,000	$400,000
2004	$102,000	$410,000

Tax Year Beginning in	Sec. 179 Expense Limit	Investment Limit
2005	$105,000	$420,000
2006	$108,000	$430,000
2007	$125,000	$500,000
2008	$250,000	$800,000
2009	$250,000	$800,000
2010 - 2015	$500,000	$2,000,000
2016*	$500,000	$2,010,000

*Section 179 Expense and Investment limits are adjusted for inflation starting in 2016.

Section 179 expense is not allowed for an asset unless the asset's depreciation method is a MACRS or ADS depreciation method and the asset's life is not that associated with real property (for example, 27.5, 31.5, 39, 40, or 50 years).

📒 Notes:

- The H.R.2. Act provides an exception that allows Section 179 expenses for off-the-shelf computer software that does not qualify under the MACRS/ADS rule made permanent by Path Act of 2015.
- The H.R.5297 Act provides an exception that allows Section 179 expensing of Qualified Real Property, up to $250,000 in 2010 and 2011.
- The H.R. 8 Act provides an exception that allows Section 179 expensing of Qualified Real Property, up to $250,000 in 2012 and 2013.
- The H.R. 5771 Act provides an exception that allows Section 179 expensing of Qualified Real Property, up to $250,000 in 2014.
- The PATH Act of 2015 provides an exception that allows Section 179 expensing of Qualified Real Property, up to $250,000 in 2015 and up to the full expense limit in 2016+.

The Section 179 expense deduction is subject to the following limitations.

Dollar Limitation

The maximum amount of allowable Section 179 expense is reduced by the cost of qualifying property placed in service in the tax year that exceeds the year's Section 179 investment limit ($2,000,000 for tax year 2015). CCH ProSystem *fx* Fixed Assets performs this limitation automatically. The cost of property placed in service in the current year that is depreciated under the MACRS or ADS depreciation method and that has a life that is not 27.5, 31.5, 39, 40, or 50 years will be considered Section 179 property and included in this computation.

Trade or Business Income Limitation

The Section 179 deduction is limited to the taxable income derived by the taxpayer from the active conduct of any trade or business. The deduction disallowed under this limitation can be carried forward. CCH ProSystem *fx* Fixed Assets performs this calculation if the trade or business income limitation is entered on the *Section 179* tab of Client Properties.

Pennsylvania Section 179 Allocation

When the Federal Section 179 taken exceeds the PA limit, the PA Section 179 amounts will be reallocated amongst the assets with a Federal Section 179 basis reduction. The method for these assets will also be changed to MSL (MACRS Optional Straight-Line). This does not apply to PA Corporations.

Alternative Minimum Tax (AMT), Adjusted Current Earnings (ACE)

The amount of Section 179 expense deduction calculated for regular tax purposes is the allowable Section 179 expense deduction for Alternative Minimum Tax purposes and Adjusted Current Earnings purposes.

Section 179 Recapture

Business Use 50 Percent or Less

Section 179 expense must be recaptured when the business use falls to 50% or less for any year during the asset's recovery period.

If the business use changes from last year, dropping to 50 percent or less, the difference between Section 179 expense and the amount of depreciation that would have been claimed on the Section 179 deduction must be recaptured as ordinary income.

CCH ProSystem *fx* Fixed Assets calculates Section 179 recapture if Section 179 has been claimed and the business use percentage has dropped to 50% or less during the asset's recovery period.

In the event that both Section 280F recapture and Section 179 recapture apply, the Section 280F recapture rules are applied.

Below is an example of the Section 179 recapture computation.

Example:

Date in service	01/01/2010
Life	5 years
MACRS calc	200%
Sec. 179 elected	$6000.00

100% business use until 2014 when it fell to 49%

The Sec. 179 recapture would be 1,389.31 (6000 - (1297 + 1998 + 9952 + (691.20 * .49))).

The recapture is computed taking into account the depreciation that could have been claimed the year business use fell to 49%.

Section 280F Recapture

Business Use 50 Percent or Less

Listed property, for which the business use is 50% or less, cannot be depreciated using an accelerated depreciation method.

If the business use changes from last year, dropping to 50 percent or less, or if a new asset's business use is 50 percent or less, the straight line method is used to compute depreciation, regardless of the selected method. The straight line method is applied over a recovery period of 5 years for 3 year property, 12 years for 5 year property, and 25 years for 10 year property for ACRS assets. For MACRS property, the depreciation must be computed using the straight line depreciation method and the ADS life.

If the business use falls to 50% or less in the current year and an accelerated depreciation method was previously elected, the depreciation claimed previously that is in excess of the amount that would have been allowed under the straight line depreciation method must be recaptured and reported as income. Any Section 179 expense claimed is treated as additional depreciation for Section 280F recapture purposes.

CCH ProSystem *fx* Fixed Assets calculates Section 280F recapture if the property type is " auto - electric ", "auto - listed" or "other listed property", the business use percentage has dropped to 50% or less, and an accelerated ACRS or MACRS depreciation method has been used to compute depreciation.

The following example shows the Section 280F recapture computation.

Example:

Cost	6,000
Date in service	01/01/2009
Life - MACRS	5 years
Life - ADS	5 years
MACRS calc	200%
Accum. Depr. 12/31/99	$4,272.00

100% business use until 2012 when business use fell to 49%

The depreciation under ADS straight line would be $600 for 2009, $1,200 for 2010, and $1,200 for 2011 for a total accumulated depreciation of $3,000.

Accum. Depr.	4,272
MACRS SL	3,000
Sec. 280 F recapture	1,272

Under Sec. 280F, the recapture is based on the amount of accumulated depreciation. They would be entitled to $588 of depreciation in 2012 (49% * 1,200).

Section 280F recapture is not calculated for financial depreciation purposes.

Electric Auto Limitations

Section 280F(a)(1)(C) increases the luxury auto limits for the Section 179 expense deduction and annual depreciation deductions for certain electric vehicles. These increased limits apply to electric vehicles placed in service after August 5, 1997, and before January 1, 2007. These limits are further reduced by the percentage of nonbusiness use of the asset. These limitations are prorated for short tax years; however, no proration or other reduction is required in these limits in the asset's year of acquisition or disposal. If the property type is an electric auto, CCH ProSystem *fx* Fixed Assets automatically performs this limitation. The limits are also based on the date the electric vehicle was placed in service.

If the additional depreciation allowed under Sec. 168(k) is claimed for the electric vehicle, the luxury auto limits of Sec. 280F are increased by $13,800; $22,950 for assets acquired after May 5, 2003. This increase only applies to the first year that the asset is placed in service.

The following table shows the electric auto depreciation limits used by CCH ProSystem *fx* Fixed Assets.

For Cars Placed in Service		Depreciation Allowable in			
After but	Before	Year	Year	Year	Year
		1	2	3	4
12/31/05	1/1/07	$8,980	$14,400	$8,650	$5,225
12/31/04	1/1/06	$8,880	$14,200	$8,450	$5,125
12/31/03	1/1/05	$8,880	$14,300	$8,550	$5,125
5/5/03	1/1/04	$9,080	$14,600	$8,750	$5,225
12/31/02	5/6/03	$9,080	$14,600	$8,750	$5,225
12/31/01	1/1/03	$9,180	$14,700	$8,750	$5,325
12/31/99	1/1/01	$9,280	$14,800	$8,850	$5,325
12/31/98	1/1/00	$9,280	$14,900	$8,950	$5,325
12/31/97	1/1/99	$9,380	$15,000	$8,950	$5,425
8/5/97	1/1/98	$9,480	$15,100	$9,050	$5,425

Luxury Auto Limitations

Section 280F limits the Section 179 expense deduction and annual depreciation deductions for certain vehicles. These limits are further reduced by the percentage of nonbusiness use of the asset. These limitations are prorated for short tax years; however, no proration or other reduction is required in these limits in the asset's year of acquisition or disposal. If the property type is a listed auto, CCH ProSystem *fx* Fixed Assets automatically performs this limitation. The limits are also based on the date the luxury auto was placed in service.

If the additional depreciation allowed under Sec. 168(k) is claimed for the vehicle, the luxury auto limits of Sec. 280F are increased (by $4,600 for assets acquired prior to 5/6/2003; $7,650 for assets acquired after 5/5/2003 and prior to 01/01/2005; $8,000 for assets acquired in 2008 through 2014). This increase applies only to the first year that the asset is placed in service. These increases are not prorated for short tax years.

Special Handling for NYC and MD: The Section 280F limits apply to all SUVs regardless of weight. The default NYC deduction is based on the Section 280F limits that would apply if the SUV were a truck or van. The NYC limitations apply to SUVs acquired on or after January 1, 2004, regardless of

when the asset was placed in service. Type of SUV options are available to calculate limits based on truck, or auto limits, or no limits if Eligible Farmer. Eligible Farmer does not apply to MD.

Luxury Auto Depreciation Limits used by CCH ProSystem *fx* Fixed Assets

For Cars Placed in Service		Depreciation Allowable in			
After but	Before	Year	Year	Year	Year
		1	2	3	4+
12/31/11	1/1/17	$3,160	$5,100	$3,050	$1,875
12/31/09	1/1/12	$3,060	$4,900	$2,950	$1,775
12/31/07	1/1/10	$2,960	$4,800	$2,850	$1,775
12/31/06	1/1/08	$3,060	$4,900	$2,850	$1,775
12/31/05	1/1/07	$2,960	$4,800	$2,850	$1,775
12/31/04	1/1/06	$2,960	$4,700	$2,850	$1,675
12/31/03	1/1/05	$3,060	$4,800	$2,850	$1,675
12/31/99	1/1/04	$3,060	$4,900	$2,950	$1,775
12/31/98	1/1/00	$3,060	$5,000	$2,950	$1,775
12/31/97	1/1/99	$3,160	$5,000	$2,950	$1,775
12/31/96	1/1/98	$3,160	$5,000	$3,050	$1,775
12/31/95	1/1/97	$3,060	$4,900	$2,950	$1,775
12/31/94	1/1/96	$3,060	$4,900	$2,950	$1,775
12/31/93	1/1/95	$2,960	$4,700	$2,850	$1,675
12/31/92	1/1/94	$2,860	$4,600	$2,750	$1,675
12/31/91	1/1/93	$2,760	$4,400	$2,650	$1,575
12/31/90	1/1/92	$2,660	$4,300	$2,550	$1,575
12/31/88	1/1/91	$2,660	$4,200	$2,550	$1,475

For Cars Placed in Service		Depreciation Allowable in			
12/31/86	1/1/89	$2,560	$4,100	$2,450	$1,475
4/2/85	1/1/87	$3,200	$4,800	$4,800	$4,800
12/31/84	4/3/85	$4,100	$6,200	$6,200	$6,200
6/18/84	1/1/85	$4,000	$6,000	$6,000	$6,000
6/19/84 and earlier		None	None	None	None

Truck/Van Depreciation Limits used by CCH ProSystem *fx* Fixed Assets

For Trucks/Vans Placed in Service		Depreciation Allowable in			
After but	Before	Year	Year	Year	Year
		1	2	3	4+
12/31/15	1/1/17	$3,560	$5,700	$3,350	$2,075
12/31/14	1/1/16	$3,460	$5,600	$3,350	$1,975
12/31/13	1/1/15	$3,460	$5,500	$3,350	$1,975
12/31/12	1/1/14	$3,360	$5,400	$3,250	$1,975
12/31/11	1/1/13	$3,360	$5,300	$3,150	$1,875
12/31/10	1/1/12	$3,260	$5,200	$3,150	$1,875
12/31/09	1/1/11	$3,160	$5,100	$3,050	$1,875
12/31/08	1/1/10	$3,060	$4,900	$2,950	$1,775
12/31/07	1/1/09	$3,160	$5,100	$3,050	$1,875
12/31/06	1/1/08	$3,260	$5,200	$3,050	$1,875
12/31/04	1/1/07	$3,260	$5,200	$3,150	$1,875
12/31/03	1/1/05	$3,260	$5,300	$3,150	$1,875
12/31/02	1/1/04	$3,360	$5,400	$3,250	$1,975

Empowerment Zone Property

The Section 179 expense limits for property placed in service in an Empowerment Zone are increased over the limits that would otherwise apply. The normal Section 179 expense limit is increased by the lesser of $20,000 through 2001, $35,000 after 2001 or the cost of Section 179 property placed in service in the year that is qualified zone property.

The maximum amount of allowable Empowerment Zone Section 179 expense deduction is reduced by the cost of qualifying property placed in service in the tax year that exceeds the year's Section 179 investment limit ($2,000,000 for tax year 2015). In computing this cost limitation, the full cost of non-Empowerment Zone Sec. 179 property and only one half of the cost of Empowerment Zone Section 179 property is used.

The deduction is also limited to the taxable income derived by the taxpayer from the active conduct of any trade or business.

To indicate that the property qualifies for the specialized handling of Section 179 for Empowerment Zone Property enter "Empowerment Zone Property" in the *Additional Property Type* field.

New York Liberty Zone Property

The Section 179 expense limits for property placed in service in the New York Liberty Zone are increased by the lesser of $35,000 or the amount of Section 179 property that is qualified New York Liberty Zone property. The additional deduction ends with property placed in service after 2006.

The maximum amount of allowable New York Liberty Zone Section 179 expense deduction is reduced by the cost of qualifying property placed in service in the tax year that exceeds the year's Section 179 investment limit ($560,000 for tax year 2012). In computing this cost limitation the full cost of Non-Empowerment Zone Sec. 179 property and only half of the cost New York Liberty Zone Section 179 property and half of the cost of Empowerment Zone Section property is used. The deduction is limited to the taxable income derived by the taxpayer from the active conduct of any trade or business.

Disaster Zone Property

The Code Sec. 179 allowance may be claimed on Disaster Zone property that is also Section 179 property. The law increases the Section 179 dollar limitation on Section 179 Disaster Zone property by an additional $100,000 and the investment limitation by an additional $600,000 (Code Sec. 1400N (e)).

Retail Motor Fuels Outlet Property

Section 1250 property, which is a retail motor fuels outlet, can be considered 15 year property for MACRS depreciation purposes. Under the ADS system, the asset would have a 20 year life.

To indicate that the property is retail motor fuels outlet property, select **Retail Motor Fuels Outlet Property** from the *Type of Property* field.

Tax Credits

In many instances where a taxpayer claims a business or investment credit, the asset's basis must be reduced by the amount of the credit claimed.

Credit Summary

The following table summarizes the various credit percentages for which CCH ProSystem *fx* Fixed Assets performs an automatic basis adjustment.

Advanced coal integrated gasification	20% credit rate increased to 30% after 10/3/08
Advanced coal other technologies credit	15% credit rate increased to 30% after 10/3/08
Alternative fuel refueling credit	30% credit rate increased to 50% for 2009 and 2010
Alternative motor vehicle conversion kits	10% credit rate after 2/17/09
Certified historic structures	20% credit rate
Combined heat and power systems credit	10% credit rate
Disabled access credit	50% credit rate
Electric vehicle credit	10% credit rate
Enhanced oil recovery (Form 8830)	15% credit rate
Gasification project credit	20% credit rate
Geothermal equipment	10% credit rate
Geothermal heat pump systems	10% credit rate
Hydrogen refueling property	30% credit rate
Investment in advanced energy facilities	30% credit rate after 2/17/09
Microturbine property credit	10% credit rate
Plug-in vehicle	10% credit rate after 2/17/09
Reforestation (timber)	10% credit rate
Regular investment credit	6.5% credit rate

Rehabilitation of pre-1936 buildings	10% credit rate
Small wind property	30% credit rate
Solar energy equipment	30% credit rate
Transition property 30 year buildings	10% credit rate
Transition property 40 year buildings	13% credit rate
Transition property historic buildings	25% credit rate