Keeping Track of Fixed Assets with Microsoft Dynamics® GP

LEVERAGING MICROSOFT DYNAMICS® GP AND BARCODE TECHNOLOGY

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I thought my assets were fixed!

Need to get a better handle on managing your fixed assets?

Panatrack has written this informational white paper as a practical guide for managing fixed assets and the cost benefits of adding bar code data capture.

Abstract

Many businesses, regardless of their industry, have the need to manage their fixed assets. Fortunately, Microsoft Dynamics® GP offers strong fixed asset management capabilities. However, the upkeep and manual tracking of fixed assets can be unreliable and leave you with an inaccurate financial picture. Adding barcode data capture will dramatically improve your tracking efforts. Learn how to combine Dynamics® GP with the automated data capture of PanatrackerGP to create a simple and powerful platform for asset control.

Fixed Asset Management Challenges

Are you compromising the accuracy, completeness and uniformity of your asset records due to a manual record-keeping process? Without tools to easily tag and receive new assets, it is easy for asset management initiatives to fail. Asset tracking accuracy is further compromised without an effective tool to record when assets are moved, re-assigned, or disposed. Keeping an accurate register of your organization's fixed assets can be a time-consuming task, especially when the number of items is in the hundreds or thousands.

The good news is you already have a tool for this: Microsoft Dynamics® GP Fixed Asset Module. This module provides a centralized database for managing asset records and is tied directly to your GP financials. Not only does it provide the financial record keeping for your assets, it also offers fields to record where your assets are located at any given point in time, and who is in charge of them. There are fields to track key information about your assets outside of acquisition data and costs.

However, the challenge for many organizations is keeping track of the *physical* location of the asset and its current *custodian assignment*. Without this up-to-date information, your asset ledger has little value.

Do any of these scenarios sound familiar?
- You have Dynamics® GP, but your company's fixed asset information is housed in an Excel spreadsheet and remains separate from your financial data. Now you are wasting time reconciling your asset list to your financials.
- Your fixed asset log hasn't been updated since Bob in Accounting left the company. Your list is now badly out of date. Where do you start?
- The assets housed in a remote office were moved, and the new locale—and custodian— was never updated in the database.
- Your company has grown from 20 to 200 employees and your fixed assets have grown substantially. You're not sure who has what or where it's located. Now what?
- You have staff that manages assets, but they don't have access to your financial database to update the asset record (nor do you ever want them to have that access).

What Can Be Tracked As a Fixed Asset?

Let's start with some basics. In accounting terms, fixed assets are classified as items that fall under the Property, Plant and Equipment (PP&E) category. These are business assets that are not sold to an end user; rather they are used internally to keep the business operating.

Some examples:

- technology hardware, such as computers, laptops, servers, routers
- medical equipment, such as pumps, X-ray machines, diagnostic equipment
- office furniture, desks, chairs, copiers, fax machines, phones
- vehicles used for your business
- plant equipment and machinery
- valuable educational items loaned to students

Reasons Your Asset Ledger Must Be Accurate

Perhaps you have heard recently that some companies have failed an external audit review due to poor control over company assets. When dealing with larger volumes of moveable assets, tracking their movement and assignments becomes critical.

Sarbanes-Oxley

The advent of Sarbanes-Oxley (SOX) legislation in 2002 necessitates even greater accuracy and control over your financial records. The Sarbanes-Oxley Act places burdens on corporations, imposing strict penalties for non-compliance for the accuracy of their financial reporting. Compiling an accurate financial picture of a company requires accurate fixed asset records. Although SOX applies only to public companies, there are similar implications for private and nonprofit organizations.

Easy Physical Verification

Completing a physical verification of fixed assets—with ease— is a common issue. This becomes a futile exercise if the asset records are not continually maintained. By keeping fixed asset records up to date, companies can reduce expenses through loss prevention and improved equipment maintenance. They may also be able to reduce new and unnecessary equipment replacement purchases.

Cost Savings

More importantly, accuracy saves you money. Fixed assets and their depreciation values can be written off at tax time. An accurate record of what you have is necessary for auditors to take full advantage of this write-off. Without accurate records, you put your credibility at risk.

What about assets that are expensed?

Many companies have a threshold amount for setting up depreciation of their assets. However, many organizations have assets they expense that they should still track, including cell phones, laptop computers, monitors, and small tools. You can use the same asset tracking infrastructure to manage these assets, regardless of your intent to depreciate these.

For tracking within GP, consider setting up different asset classes. The asset class assignment can then identify if the assets are tracked financially as well as physically. When tracked physically, a check in/check out assignment can be put in place. By managing these "expensed" assets, you manage where the asset is and who has it. This will add accountability across the organization and reduce the need to replace these items simply because there is no recorded accountability. You can even add a replacement value using one of the several user-definable fields available in GP. Adding the responsibility for items with an assigned replacement value will increase accountability across your organization.

Grouped Assets? Or Individual Entries?

At first, it may appear to be easier to create a single asset record for a group of received assets. For example, if you receive 20 laptops, they will all start out with the same depreciation schedule. It may seem easier to create a single asset record for all 20 laptops (after all, there is a quantity field available).

Each of those laptops will have a unique serial number. However, only one serial number can be associated with each asset record. Even if you are not tracking serial numbers (recommended whenever possible), each asset can only have one custodian and one physical location assigned to it.

Your goal is to keep track of *each* asset. Only then can you ensure that its location and current custodian are known. Of course we don't want to make more work for the financial team, so consider taking advantage of grouping assets, or the assignment of a Master Asset ID along with Asset Class assignments to handle managing the financial tracking of groups of assets put into service at the same time. This approach streamlines the financial control while providing tracking of individual assets.

Bar codes reduce margins for error, save time & money

Using bar code technology and asset ID tags simplifies the asset tracking process, and will maximize the value of your Dynamics® GP Fixed Asset module.

Unlike spreadsheets or manual paper-based tracking, bar code technology is simple, efficient, and robust enough to keep apace with assets that frequently move and change hands. Bar code data capture decreases the margin for human error when updating a spreadsheet, while adding a measure of security by marking your asset "property of."

Consider the following applications:

- A national professional sports team uses bar code technology to keep track of its office and training equipment.
- A hospice uses bar codes to monitor its fleet of wheel chairs and diagnostic equipment.
- An HVAC company keeps track of equipment and tools checked out to jobs.
- A communications company tracks equipment leased to its customers.
- A home-healthcare provider tracks equipment in use at patient's homes.
- A technical college manages equipment loaned to students each semester.
- A legal-services firm manages the assignment of laptops and cell phones to its employees.
- An internet hosting company tracks its servers and networking equipment.

How it Works: Point & Scan

You already have the tracking database for Fixed Assets available to you as part of GP, and anyone can put a label on an asset. Now you need a convenient way to scan that label and update your asset list. The PanatrackerGP fixed asset solution *extends* DynamicsGP's Fixed Asset Module by adding bar code data capture. Physical characteristics of the assets can be captured from a handheld device using a simple-to-use interface and *updated simply and directly*, without messy data transfer steps.

This allows for a seamless integration and eliminates ugly import and export requirements in order to keep GP updated. Organizations that currently use spreadsheets to track asset details can replace their separate tracking system with a tightly integrated solution.

> A NOTE ABOUT ASSET TAGS
> We suggest purchasing durable pre-printed asset tags with serial numbers, instead of printing your own. Avoid paper labels; choose a tag that will outlive your assets. Tags are offered in a variety of materials, including synthetic, metal and foil, and are often treated to resist scratching or chemical spills.

> *"We finally have a handle on our asset list. As a controller, I can't tell you how long I have lived in fear of an asset audit. Our team is now able to take direct responsibility for updating the 'who' and 'where' for each asset. When it moves or ownership is transferred, they scan it and Dynamic® GP is automatically updated. Best yet, they can't mess up my financials this way. "*

Operating through the use of handheld mobile computers with integrated scanners, the PanatrackerGP system makes it easy to capture asset data housed in remote locations. Users can:

- **Add new assets**. This creates a new asset record for GP. Simply affix and scan the bar code asset label to assign the ID and collect physical details about the asset such as serial number, short description, and location. If using GP purchase orders, assets can be easily received, creating both the receiving transaction and fixed asset record. The transaction is created directly in GP.
- **Record updates** to asset location or custodian assignments as they occur. The user-defined fields within GP are also supported.

- **Confirm** the location of your assets with a physical verification. Users have access to the asset details and can determine assets not found. Assets found out of place can automatically be updated or log an exception report.
- **Assign or reassign bar code labels** to existing assets and filter based on location, class assignment or by scanning the serial number.

PanatrackerGP fixed asset module updates asset information *without accessing or altering any of the financial data that lives in Dynamics® GP*. This allows Dynamics® GP to remain the central reporting database while providing a tool to maintain physical information about assets. PantrackerGP even works in hosted environments and does not rely on a continuous network connection. Throw it in your briefcase and go.

> *"This is slick. From the handheld scanner we can add or update assets by simply scanning the asset label. We can update the location, custodian and other attributes about that asset and record the transaction. We can even go into a room and lookup what is supposed to be there. It's like a physical count for my assets. "*

Avoid costly mistakes

Solid asset management practices will save you money and help avoid costly mistakes. You have already made a great investment by choosing Dynamics® GP. Now make it easier to stay compliant with current audit practices. The PanatrackerGP fixed asset solution will maximize your investment by adding fast and clean data capture capabilities for fixed assets.

Panatrack specializes in solutions for tracking inventory, assets and activities. Using data-capture technologies such as barcodes, RFID, and wireless handheld computers, we create systems that track comprehensive details about the real-time transactions critical to efficient business operations.

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