Infor Infinium FMS Fixed Assets Guide to Setup and Processing

Volume 2

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Appendix A Infinium FA Reports

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Summary trial close report

```
FAGDCB     FATDCB                          TRIAL:  RUN PERIOD END TRIAL CLOSING                                                    PAGE     1
4/12/1995 10:35:31                                    SUMMARY   REPORT                                                            AM2000
BATCH ITEM: 0000001                         0000001
COMPANY   : 101                             LB:MAIN COMPANY
CRP BOOK  : CORPBOOK                        CORPORATE BOOK
REGULATION: CRP                             CORPORATE DEPRECIATION
CRP PERIOD: 1994 0 12                       12/31/1994
       ASSET        ASSET         INSTALL      ASSET  DPR           DEPRECIABLE      ACCUMULATED     YEAR TO DATE          CURRENT
       NUMBER       DESCRIPTION   DATE         LIFE   MTD                BASIS          RESERVE     DEPRECIATION     DEPRECIATION
-------------------------------------------------------------------------------------------------------------------------------------
101                                             LB:MAIN COMPANY
101-001                                         DIVISION ONE
101-001-001                                     DEPARTMENT ONE
101-001-001-1161                                BUILDINGS
           11       PRE-81 CON    1/01/1980   20-00  STL            20000.00          15000.00           1000.00             83.33
           12       PRE-81 CON    1/01/1980   20-00  STL            20000.00          15000.00           1000.00             83.33
           13       PRE-81 CON    1/01/1980   20-00  STL            20000.00          15000.00           1000.00             83.33
           14       PRE-81 CON    1/01/1980   20-00  STL            20000.00          15000.00           1000.00             83.33
                                                  (continued)...
ASSETCLASS TOTALS:                      7       109500.00          109500.00          48327.46           7710.10            637.46
101-001-002
DEPT       TOTALS:                     12       189500.00          189500.00          98160.79          21710.09           1970.79
101-001-003                                     DEPARTMENT THREE
101-001-003-1161                                BUILDINGS
          137           87 MACRS REAL BUSINESS BLDG
 1/01/1987 40-00 32-00    STL        STL        500000.00          500000.00         100000.00          12500.00           1041.67
          155           90 MACRS REAL BUSINESS BLDG
 6/01/1990 40-00 35-05    STL        STL        500000.00          500000.00          57291.67          12500.01           1041.67
          157           94 MACRS CL 03 ASSET
 1/01/1994  3-00  2-00    STL        STL          3600.00            3600.00           1200.00           1200.00            100.00
101-001-003-1161
ASSETCLASS TOTALS:                      3      1003600.00         1003600.00         158491.67          26200.01           2183.34
101-001-003
DEPT       TOTALS:                      3      1003600.00         1003600.00         158491.67          26200.01           2183.34
101-001
DIVISION   TOTALS:                     61      4268460.00         4268360.00        1281720.10         168227.75          14188.50
101
COMPANY    TOTALS:                     61      4268460.00         4268360.00        1281720.10         168227.75          14188.50
                                  ***** END   OF   REPORT *****
```

Detailed trial close report

```
FAGDCB     FATDCB                          TRIAL:  RUN PERIOD END TRIAL CLOSING                                    PAGE     1
4/12/1995 10:37:40                                                                                                AM2000
BATCH ITEM:       1                               1
COMPANY   : 101                             LB:MAIN COMPANY
CRP BOOK  : CORPBOOK                        CORPORATE BOOK
REGULATION: CRP                             CORPORATE DEPRECIATION
CRP PERIOD: 1994 0 12                       12/31/1994
INSTALL    ASSET REM   SW DPR        DPR              COST PRORATE  DEPRECIABLE      ACCUMULATED     YEAR TO DATE        CURRENT
DATE       LIFE  LIFE  YR TABLE      MTD             BASIS    CODE        BASIS          RESERVE     DEPRECIATION     DEPRECIATION
-----------------------------------------------------------------------------------------------------------------------------------
101                                                LB:MAIN COMPANY
101-001                                            DIVISION ONE
101-001-001                                        DEPARTMENT ONE
101-001-001-1161                                   BUILDINGS
           11           PRE-81 CON, 20 YR LIFE
 1/01/1980 20-00  5-00    STL        STL        20000.00           20000.00          15000.00          1000.00            83.33
                                                                            P        14916.67           916.67            83.34
           12           PRE-81 CON, 20 YR LIFE
 1/01/1980 20-00  5-00    STL        STL        20000.00           20000.00          15000.00          1000.00            83.33
                                                                            P        14916.67           916.67            83.34
 1/01/1980 20-00  5-00    STL        STL        20000.00           20000.00          15000.00          1000.00            83.33
                                                     (continued)...
101-001-003-1161
ASSETCLASS TOTALS:                       3      1003600.00         1003600.00         158491.67         26200.01          2183.34
                                                                            P         156308.33         24016.67          2183.33
101-001-003
DEPT       TOTALS:                       3      1003600.00         1003600.00         158491.67         26200.01          2183.34
                                                                            P         156308.33         24016.67          2183.33
101-001
DIVISION   TOTALS:                      61      4268460.00         4268360.00        1281720.10        168227.75         14188.50
                                                                            P        1267531.60        154039.25         14188.64
101
COMPANY    TOTALS:                      61      4268460.00         4268360.00        1281720.10        168227.75         14188.50
                                                                            P        1267531.60        154039.25         14188.64
                                      ***** END   OF   REPORT *****
```

Detailed print journal report

```
FAGHTP     FATHTPD                          TRIAL:        PRINT JOURNAL                                                    PAGE     1
APR/12/1995   15:15:26                                                                                                      AM2000
COMPANY    : 101                             LB:MAIN COMPANY
YEAR       : 1994 0
SEQUENCE   : COMPANY, YEAR, PERIOD, REFERENCE, ACCOUNT
    ACCOUNT                              JRN JOURNAL             ASSET          BATCH   BATCH
REF NUMBER                               PD  DESCRIPTION        NUMBER           DATE  NUMBER              DEBIT               CREDIT
-------------------------------------------------------------------------------------------------------------------------------------
DPR 001-001-000-1171                     12  FA Deprecia            11      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            12      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            13      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            14      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            15      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            16      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            17      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            18      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            19      4/12/1995 0001603               .00                83.33
DPR 001-001-000-1171                     12  FA Deprecia            20      4/12/1995 0001603               .00                83.33
                                                          (continued)...
*    Depreciation - Buildings                                       36                                  8,229.12                 .00
DPR 001-001-001-6463                     12  FA Deprecia           148      4/12/1995 0001603             333.33                 .00
DPR 001-001-001-6463                     12  FA Deprecia           161      4/12/1995 0001603             466.67                 .00
DPR 001-001-001-6463                     12  FA Deprecia           162      4/12/1995 0001603             466.67                 .00
DPR 001-001-002-6464                     12  FA Deprecia           134      4/12/1995 0001603             125.00                 .00
DPR 001-001-002-6464                     12  FA Deprecia           135      4/12/1995 0001603             111.11                 .00
DPR 001-001-002-6464                     12  FA Deprecia           136      4/12/1995 0001603             104.17                 .00
DPR 001-001-002-6464                     12  FA Deprecia           152      4/12/1995 0001603              94.70                 .00
DPR 001-001-002-6464                     12  FA Deprecia           153      4/12/1995 0001603             111.11                 .00
DPR 001-001-002-6464                     12  FA Deprecia           154      4/12/1995 0001603              43.75                 .00
*    Depreciation - Office Equipmnt                                  7                                    637.46                 .00
DPR 001-001-003-6461                     12  FA Deprecia           137      4/12/1995 0001603           1,041.67                 .00
DPR 001-001-003-6461                     12  FA Deprecia           155      4/12/1995 0001603           1,041.67                 .00
DPR 001-001-003-6461                     12  FA Deprecia           157      4/12/1995 0001603             100.00                 .00
*    Depreciation - Buildings                                        3                                  2,183.34                 .00
**   DEPRECIATION                                                  122                                 14,188.50           14,188.50
***  PERIOD 12                                                     122                                 14,188.50           14,188.50
**** YEAR 1994 0                                                   122                                 14,188.50           14,188.50
*****LB:MAIN COMPANY                                               122                                 14,188.50           14,188.50
                                  ***** END   OF   REPORT *****
```

Summary print journal report

FAGHTP FATHTPS TRIAL: PRINT JOURNAL PAGE 1
APR/12/1995 15:15:26 AM2000
COMPANY : 101 LB:MAIN COMPANY
YEAR : 1994 0
SEQUENCE : COMPANY, YEAR, PERIOD, REFERENCE, ACCOUNT

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	JRN COUNT	TOTAL DEBIT	TOTAL CREDIT
001-001-000-1171	Acc Res - Buildings	39	.00	10,412.46
001-001-000-1173	Acc Res - Vehicles	8	.00	2,600.00
001-001-000-1174	Acc Res - Office Equipment	12	.00	1,041.04
001-001-000-1175	Acc Res - Furniture & Fixtures	2	.00	135.00
001-001-001-6464	Depreciation - Office Equipmnt	5	403.58	.00
001-001-001-6465	Depreciation - Furniture & Fix	2	135.00	.00
001-001-002-6463	Depreciation - Vehicles	5	1,333.33	.00
001-001-002-6464	Depreciation - Office Equipmnt	7	637.46	.00
001-001-003-6461	Depreciation - Buildings	3	2,183.34	.00
FADEPT DEPRECIATION		122	14,188.50	14,188.50
PERIOD 12		122	14,188.50	14,188.50
YEAR 1994 0		122	14,188.50	14,188.50
LB:MAIN COMPANY		122	14,188.50	14,188.50

***** END OF REPORT *****

Corporate book asset register report

```
APR/12/1995   16:32:32                          CORPORATE BOOK SEGMENT                                                    AM2000
COMPANY: 101                                LB:MAIN COMPANY
ASSET NUMBER      ASSET DESCRIPTION              INSTALL DATE LIFE YY-MM REM. LIFE
          COST BASIS     DEPRECIABLE BASIS        NET BOOK VALUE   ACCUMULATED RESERVE          YEAR TO DATE  CURRENT DEPRECIATION
-------------------------------------------------------------------------------------------------------------------------------------
101                                              LB:MAIN COMPANY
101-001                                          DIVISION ONE
101-001-001                                      DEPARTMENT ONE
101-001-001-1164                                 OFFICE EQUIPMENT
          165     94 MACRS CLASS 07 ASSET         1/01/1994       7-00      6-02
            8,000.00              8,000.00            7,047.62               952.38               952.38                95.24
          167     94 MACRS ASSETS CLASS 07        1/01/1994       7-00      6-01
           12,000.00             12,000.00           10,428.57             1,571.43             1,571.43               142.86
101-001-001-1164                                 OFFICE EQUIPMENT
ASSETCLASS TOTALS:          2 ASSETS
           20,000.00             20,000.00           17,476.19             2,523.81             2,523.81               238.10
101-001-001                                      DEPARTMENT ONE
DEPT       TOTALS:          2 ASSETS
           20,000.00             20,000.00           17,476.19             2,523.81             2,523.81               238.10

                                                  (continued)

101-001-003                                      DEPARTMENT THREE
101-001-003-1161                                 BUILDINGS
          157     94 MACRS CL 03 ASSET            1/01/1994       3-00      2-01
            3,600.00              3,600.00            2,500.00             1,100.00             1,100.00               100.00
101-001-003-1161                                 BUILDINGS
ASSETCLASS TOTALS:          1 ASSETS
            3,600.00              3,600.00            2,500.00             1,100.00             1,100.00               100.00
101-001-003                                      DEPARTMENT THREE
DEPT       TOTALS:          1 ASSETS
            3,600.00              3,600.00            2,500.00             1,100.00             1,100.00               100.00
101-001                                          DIVISION ONE
DIVISION   TOTALS:          4 ASSETS
           27,600.00             27,600.00           23,452.38             4,147.62             4,147.62               385.72
101                                              LB:MAIN COMPANY
COMPANY    TOTALS:          4 ASSETS
           27,600.00             27,600.00           23,452.38             4,147.62             4,147.62               385.72
                                  ***** END   OF   REPORT *****
```

Tax book asset register report

```
FAGABP     FATAFP                                    PRINT ASSET REGISTER                                                    PAGE     1
APR/12/1995   16:32:32                          TAX BOOK SEGMENT                                                           AM2000
COMPANY: 101                                 LB:MAIN COMPANY
ASSET NUMBER      ASSET DESCRIPTION             TAX BOOK   INSTALL DATE LIFE YY-MM  REM. LIFE
          COST BASIS     DEPRECIABLE BASIS       NET BOOK VALUE   ACCUMULATED RESERVE          YEAR TO DATE  CURRENT DEPRECIATION
-------------------------------------------------------------------------------------------------------------------------------------
101                                              LB:MAIN COMPANY
101-001                                          DIVISION ONE
101-001-001                                      DEPARTMENT ONE
101-001-001-1164                                 OFFICE EQUIPMENT
          165     94 MACRS CLASS 07 ASSET       FEDERAL     1/01/1994          7-00      7-00
            8,000.00              8,000.00            6,856.80             1,143.20             1,143.20             1,143.20
          167     94 MACRS ASSETS CLASS 07      FEDERAL     1/01/1994          7-00      7-00
           12,000.00             12,000.00           10,285.20             1,714.80             1,714.80             1,714.80
101-001-001-1164                                 OFFICE EQUIPMENT
ASSETCLASS TOTALS:          2 ASSETS
           20,000.00             20,000.00           17,142.00             2,858.00             2,858.00             2,858.00
101-001-001                                      DEPARTMENT ONE
DEPT       TOTALS:          2 ASSETS
           20,000.00             20,000.00           17,142.00             2,858.00             2,858.00             2,858.00
101-001-002                                      DEPARTMENT TWO
101-001-002-1164                                 OFFICE EQUIPMENT

                                                  (continued)

            3,600.00              3,600.00            2,400.12             1,199.88             1,199.88             1,199.88
101-001-003-1161                                 BUILDINGS
ASSETCLASS TOTALS:          1 ASSETS
            3,600.00              3,600.00            2,400.12             1,199.88             1,199.88             1,199.88
101-001-003                                      DEPARTMENT THREE
DEPT       TOTALS:          1 ASSETS
            3,600.00              3,600.00            2,400.12             1,199.88             1,199.88             1,199.88
101-001                                          DIVISION ONE
DIVISION   TOTALS:          4 ASSETS
           27,600.00             27,600.00           22,970.52             4,629.48             4,629.48             4,629.48
101                                              LB:MAIN COMPANY
COMPANY    TOTALS:          4 ASSETS
           27,600.00             27,600.00           22,970.52             4,629.48             4,629.48             4,629.48
                                  ***** END   OF   REPORT *****
```

Reconciliation report

FAGRECON PAGE 1
DEC/29/2008 9:42:18 FIXED ASSETS RECONCILIATION REPORT - COST BASIS ESW

COMPANY TR2

ACCOUNT	GL DESCRIPTION	GL BALANCE	FA BALANCE	VARIANCE
CK1-001-100-1000-555	Machinery - Asset	10,797.91	20,720.58	9,922.67-
COMPANY TOTAL		10,797.91	20,720.58	9,922.67-
TOTAL COST		10,797.91	20,720.58	9,922.67-

FAGRECON PAGE 2
DEC/29/2008 9:42:18 FIXED ASSETS RECONCILIATION REPORT - ACCUMULATED RESERVE ESW

COMPANY TR2

ACCOUNT	GL DESCRIPTION	GL BALANCE	FA BALANCE	VARIANCE
CK1-001-100-1000-655	Machinery - Depreciation		8,523.57	8,523.57-
COMPANY TOTAL			8,523.57	8,523.57-
TOTAL ACCUMULATED RESERVE			8,523.57	8,523.57-

****END OF REPORT****

Asset additions report

```
FAGADD     FATADD                                  PRINT ASSET ADDITIONS                                                PAGE     1
APR/12/1995   16:55:03                                                                                                  AM2000
COMPANY: 101                              LB:MAIN COMPANY
BOOK   : CORPBOOK                         CORPORATE BOOK
ENTERED    INSTALL   ADD            DPR      CLO ACQ                                  COST        ACCUMULATED          SALVAGE
DATE       YEAR/PD   YEAR/PD   LIFE TABLE    G/L CODE                                 BASIS           RESERVE            VALUE
-----------------------------------------------------------------------------------------------------------------------------------
101                                                LB:MAIN COMPANY
101-001                                            DIVISION ONE
101-001-001                                        DEPARTMENT ONE
101-001-001-1161                                   BUILDINGS
          170                             94 MACRS BUSINESS BUILDING
 3/28/1995 1994 0 01 1994 0 01 4000 STL       1 P                                 750000.00          17187.50              .00
101-001-001-1161
ASSETCLASS    TOTALS:       1                                                     750000.00          17187.50              .00
101-001-001-1163                                   VEHICLES
          161                             94 LUXURY AUTO
 3/28/1995 1994 0 01 1994 0 01 0500 STL       1 P                                  28000.00           5133.33              .00
          162                             94 LUXURY AUTO
 3/28/1995 1994 0 01 1994 0 01 0500 STL       1 P                                  28000.00           5133.33              .00
101-001-001-1163
ASSETCLASS    TOTALS:       2                                                      56000.00          10266.66              .00
101-001-001-1164                                   OFFICE EQUIPMENT
          163                             94 MACRS CLASS 07 PROPERTY
 3/28/1995 1994 0 01 1994 0 01 0700 STL       1 P                                   6000.00            772.62           100.00

                                                   (continued)


ASSETCLASS    TOTALS:       1                                                       3600.00           1100.00              .00
101-001-003
DEPT          TOTALS:       1                                                       3600.00           1100.00              .00
101-001
DIVISION      TOTALS:      14                                                     892960.00          38407.02           100.00
101
COMPANY       TOTALS:      14                                                     892960.00          38407.02           100.00
                                      ***** END   OF   REPORT *****
```

Asset deletions report

```
FAGDEL     FATDEL                                  PRINT ASSET DELETIONS                                                    PAGE     1
APR/13/1995   10:20:35                                                                                                     AM2000
COMPANY: 101                              LB:MAIN COMPANY
BOOK   : CORPBOOK                         CORPORATE BOOK
DELETED     INSTALL   DELETE         DPR          ACQ                                  COST       ACCUMULATED          SALVAGE
DATE        YEAR/PD   YEAR/PD   LIFE TABLE       CODE                               BASIS           RESERVE            VALUE
-------------------------------------------------------------------------------------------------------------------------------
101                                       LB:MAIN COMPANY
101-001                                   DIVISION ONE
101-001-001                               DEPARTMENT ONE
101-001-001-1164                          OFFICE EQUIPMENT
          164                             94 MACRS CLASS 07 ASSET
 4/13/95 1994 0 01 1994 0 12 0700 STL        P                              7000.00            916.67              .00
          168                             94 MACRS CLASS 07 ASSET
 3/28/95 1994 0 01 1994 0 03 0700 STL        P                              1000.00             23.81              .00
101-001-001-1164
ASSETCLASS    TOTALS:       2                                              8000.00            940.48              .00
101-001-001
DEPT          TOTALS:       2                                              8000.00            940.48              .00
101-001-003                               DEPARTMENT THREE
101-001-003-1161                          BUILDINGS
          157                             94 MACRS CL 03 ASSET
 4/13/95 1994 0 01 1994 0 12 0300 STL        P                              3600.00           1100.00              .00
101-001-003-1161
ASSETCLASS    TOTALS:       1                                              3600.00           1100.00              .00
101-001-003
DEPT          TOTALS:       1                                              3600.00           1100.00              .00
101-001
DIVISION      TOTALS:       3                                             11600.00           2040.48              .00
101
COMPANY       TOTALS:       3                                             11600.00           2040.48              .00
                                  ***** END   OF   REPORT *****
```

Asset transfers report

```
FAGTFR     FATTFR                                    PRINT ASSET TRANSFERS                                                    PAGE     1
APR/13/1995   10:03:45                                                                                                        AM2000
COMPANY: 101                                LB:MAIN COMPANY
BOOK   : CORPBOOK                           CORPORATE BOOK
TRANSFER   TRANSFER DATE OF       FROM / TO                                                              COST       ACCUMULATED
YEAR/PRD   TYPE     TRANSFER      ACCOUNTING LOCATIONS                                                  BASIS           RESERVE
-------------------------------------------------------------------------------------------------------------------------------
101                                         LB:MAIN COMPANY
101-001                                     DIVISION ONE
101-001-001                                 DEPARTMENT ONE
101-001-001-1163                            VEHICLES
          148        90 MACRS CL 05 LUX AUTO
1994 0  02    INTRA  3/28/1995    From     : 101-001-002-1163                                    20000.00          18000.00
                                  To       : 101-001-001-1163
101-001-001-1163
ASSETCLASS TOTALS:          1                                                                   20000.00          18000.00
101-001-001-1164                            OFFICE EQUIPMENT
          167        94 MACRS ASSETS CLASS 07
1994 0  02  PARTIAL  3/28/1995    From     : 101-001-001-1164                                    16000.00            190.48
                                  To       : 101-001-001-1164                                    12000.00           1571.43
101-001-001-1164
ASSETCLASS TOTALS:          1                                                                        .00               .00
101-001-001
DEPT       TOTALS:          2                                                                   20000.00          18000.00
101-001-003                                 DEPARTMENT THREE
101-001-003-1161                            BUILDINGS
          129        87 MACRS CL 03 ASSET
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                                     3600.00           3600.00
                                  To       : 101-001-003-1161

                                                  (continued)

          155        90 MACRS REAL BUSINESS BLDG
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                                   500000.00          56250.00
                                  To       : 101-001-003-1161
          157        94 MACRS CL 03 ASSET
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                                     3600.00           1100.00
                                  To       : 101-001-003-1161
101-001-003-1161
ASSETCLASS TOTALS:          5                                                                 1010800.00         163508.33
```

```
101-001-003
DEPT       TOTALS:          5                                                    1010800.00         163508.33
101-001
DIVISION   TOTALS:          7                                                    1030800.00         181508.33
101
COMPANY    TOTALS:          7                                                    1030800.00         181508.33
FAGTFR     FATTFR                                PRINT ASSET TRANSFERS                                PAGE     2
APR/13/1995   10:03:45                                                                                 AM2000
COMPANY: 101                              LB:MAIN COMPANY
BOOK   : FEDERAL                          FEDERAL BOOK TESTS ADR
TRANSFER   TRANSFER DATE OF       FROM / TO                                                    COST       ACCUMULATED
YEAR/PRD   TYPE     TRANSFER      ACCOUNTING LOCATIONS                                        BASIS           RESERVE
-------------------------------------------------------------------------------------------------------------------------
101                                           LB:MAIN COMPANY
101-001                                       DIVISION ONE
101-001-001                                   DEPARTMENT ONE
101-001-001-1163                              VEHICLES
          148        90 MACRS CL 05 LUX AUTO
1994 0  02    INTRA  3/28/1995    From     : 101-001-002-1163                      20000.00          12360.00
                                  To       : 101-001-001-1163
101-001-001-1163
ASSETCLASS TOTALS:          1                                                     20000.00          12360.00
101-001-001-1164                              OFFICE EQUIPMENT
          167        94 MACRS ASSETS CLASS 07
1994 0  02  PARTIAL  3/28/1995    From     : 101-001-001-1164                      16000.00              .00
                                  To       : 101-001-001-1164                      12000.00           1714.80
101-001-001-1164
ASSETCLASS TOTALS:          1                                                         .00               .00
101-001-001
DEPT       TOTALS:          2                                                     20000.00          12360.00
101-001-003                                   DEPARTMENT THREE
101-001-003-1161                              BUILDINGS
          129        87 MACRS CL 03 ASSET
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                       3600.00           3600.00
                                  To       : 101-001-003-1161
          137        87 MACRS REAL BUSINESS BLDG
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                     500000.00         126322.75
                                  To       : 101-001-003-1161
          147        90 MACRS CL 03 ASSET
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                       3600.00           3600.00
                                  To       : 101-001-003-1161
          155        90 MACRS REAL BUSINESS BLDG
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                     500000.00          72089.95
                                  To       : 101-001-003-1161
          157        94 MACRS CL 03 ASSET
1994 0  04    INTRA  3/28/1995    From     : 101-001-002-1161                       3600.00           1199.88
                                  To       : 101-001-003-1161
```

```
101-001-003-1161
ASSETCLASS TOTALS:          5                                                1010800.00         206812.58
101-001-003
DEPT       TOTALS:          5                                                1010800.00         206812.58
101-001
DIVISION   TOTALS:          7                                                1030800.00         219172.58
101
COMPANY    TOTALS:          7                                                1030800.00         219172.58
                                    ***** END   OF   REPORT *****
```

Year end summary report

```
FAGYE260   FATYE260                              PRINT YEAR END SUMMARY REPORT                                      PAGE     1
APR/13/1995   12:31:40                                                                                              AM2000
COMPANY: 101                               LB:MAIN COMPANY
BOOK    : CORPBOOK
        ASSET            ASSET                         TRANSFER/         DEPRECIABLE           ACCUMULATED            YTD
        NUMBER       DESCRIPTION                       RETIREMENT          BASIS                 RESERVE          DEPRECIATION
-------------------------------------------------------------------------------------------------------------------------------------
101-001-001-1161                                 BUILDINGS
            1     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            2     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            3     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            4     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            5     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            6     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            7     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            8     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
            9     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
           10     PRE-81 CON, 10 YR LIFE               NX/             10000.00              10000.00                   .00
           69     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           70     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           71     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           72     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           73     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           74     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           75     82 ACRS AUTO 03 YR,ITC 6%            NX/             10000.00              10000.00                   .00
           80     ACRS AUTO 03, ITC 4%                   /             10000.00              10000.00                   .00
           81     ACRS CLS 03,ITC BAS/REDU+6%            /             10000.00              10000.00                   .00
          103     86 ACRS LUX AUTO 03                    /             22000.00              22000.00                   .00
          104     86 ACRS LUX AUTO 03                    /             22000.00              22000.00                   .00
          105     86 ACRS LUX AUTO 03                    /             22000.00              22000.00                   .00
          106     86 ACRS LUX AUTO 03                    /             22000.00              22000.00                   .00
          107     86 ACRS LUX AUTO 03                    /             22000.00              22000.00                   .00

                                                    (continued)

101-001-002-1163                                 VEHICLES
          130     87 MACRS CL 05 LUX AUTO                /             20000.00              20000.00                   .00
          131     87 MACRS CL 05 AUTO                    /             10000.00              10000.00                   .00
          132     87 MACRS CL 05 AUTO, LOW USE           /             20000.00              20000.00                   .00
```

138	87 MACRS CL 05 LUX AUTO	/	20000.00	20000.00	.00
139	87 MACRS CL 05 LUX AUTO	/	20000.00	20000.00	.00
140	87 MACRS CL 05 LUX AUTO	/	20000.00	20000.00	.00
141	87 MACRS CL 05 LUX AUTO	/	20000.00	20000.00	.00
149	90 MACRS CL 05 AUTO	/	10000.00	9166.67	2000.01
150	90 MACRS CL 05 AUTO, LOW USE	/	20000.00	18333.33	3999.99
156	90 MACRS CL 05 LUX AUTO	/	20000.00	18333.33	3999.99
158	94 MACRS CL 05 LUX AUTO	/	20000.00	2333.33	2333.33
159	94 MACRS CL 05 AUTO	/	10000.00	1666.67	1666.67
101-001-002-1163					
TOTALS:	12		210000.00	179833.33	13999.99
101-001-002-1164		OFFICE EQUIPMENT			
134	87 MACRS 10 YEAR PROP	/	15000.00	12000.00	1500.00
135	87 MACRS 15 YEAR PROP	/	20000.00	10666.67	1333.34
136	87 MACRS 20 YEAR PROP	/	25000.00	10000.00	1250.00
152	90 MACRS 10 YEAR PROP	/	15000.00	6572.00	1197.00
153	90 MACRS 15 YEAR PROP	/	20000.00	6111.11	1333.33
154	90 MACRS 20 YEAR PROP	/	10500.00	2406.25	525.00
154	90 MACRS 20 YEAR PROP	/ P	14500.00	2658.33	60.42
171	94 MACRS ASSETS CLASS 07	/	4000.00	571.43	571.43
101-001-002-1164					
TOTALS:	8		124000.00	50985.79	7770.52
101-001-002-1165		FURNITURE AND FIXTURES			
133	87 MACRS 07 PROP	/	15000.00	15000.00	.00
142	87 MACRS 07 PROP	/	15000.00	15000.00	.00
143	87 MACRS 07 PROP	/	15000.00	15000.00	.00
144	87 MACRS 07 PROP	X /	15000.00	15000.00	.00
145	87 MACRS 07 PROP	/	15000.00	15000.00	.00
146	87 MACRS 07 PROP	/	15000.00	15000.00	.00
151	90 MACRS 07 PROP	/ F	15000.00	7857.14	178.57
101-001-002-1165					
TOTALS:	7		105000.00	97857.14	178.57
101-001-003-1161		BUILDINGS			
129	87 MACRS CL 03 ASSET	/	3600.00	3600.00	.00
137	87 MACRS REAL BUSINESS BLDG	/	500000.00	100000.00	12500.00
147	90 MACRS CL 03 ASSET	/	3600.00	3600.00	.00
155	90 MACRS REAL BUSINESS BLDG	/	500000.00	57291.67	12500.01
101-001-003-1161					
TOTALS:	4		1007200.00	164491.67	25000.01
BOOK TOTALS:	120		5038460.00	2041235.57	166266.74
COMPANY TOTALS:	120		5038460.00	2041235.57	166266.74
GRAND TOTALS:	120		5038460.00	2041235.57	166266.74

***** END OF REPORT *****

Year end initialization report

```
FAGYE230   FATYE230                                    INITIALIZE YEAR END                                                    PAGE    1
APR/13/199512:38:32                                                                                                           AM2000
COMPANY: 101                                LB:MAIN COMPANY
              CURRENT ACCOUNTING YEAR
              -----------------------
BOOK             ENDING     NEXT         ERROR
-------------------------------------------------------------------------------------------------------------------------------------
FEDERAL          1994 0     1995 0
CORPBOOK         1994 0     1995 0
```

Appendix B Using Short Years in Infinium FA

B

This appendix contains information on how Infinium FA handles depreciation, effective installation dates, and effective disposition dates in short years for the conventional method, ACRS, and MACRS.

This appendix consists of the following topics:

Topic	Page
Overview	B-2
Setting up a short year	B-3
How the system calculates depreciation for CON assets for short years	B-6
How the system calculates depreciation for ACRS assets for short years and the ACRS method	B-7
How the system calculates depreciation for MACRS assets for short years	B-8
Using short years and the mid-quarter convention	B-10

Overview

A short year is any year that is less than twelve months. In general a company encounters a short year in the following situations:

- During start up or buy out
- When changing the accounting year
- During wind down or closing

This appendix explains how Infinium FA handles depreciation, effective installation dates, and effective disposition dates in short years for the conventional method, ACRS, and MACRS.

This appendix also explains:

- How to create a short year for the tax book
- How Infinium FA handles short years

Setting up a short year

For tax purposes in Infinium FA, you indicate that a year is a short year in tax book controls.

To create a tax book control for a short year, perform the following steps:

1. From the Infinium FA main menu select *System and Application Setup.*
2. From the Infinium FA main menu select *Application Control Setup.*
3. Select *Create tax book controls* [CTBC]. The system displays a screen similar to Figure B-1.

   You can also access tax book controls by making the following selections:

4. From the Infinium FA main menu select *Control File Maintenance.*
5. From the Infinium FA main menu select *Application Control Files.*
6. Select *Work with tax book controls* [WWTBC]. The system displays a screen similar to Figure B-1.

```
APR/06/2009 08:14:29     Work With Tax Book Controls       FAGTBM     FADTBM



Company . . . . . 004 +
Tax book  . . . . . FED        +
Tax year  . . . . . 2008 +
Short year  . . . . . 0


To copy another tax book control, enter the following information.


Company . . . . . ___ +
Tax book  . . . . . __________ +
Tax year  . . . . . ____ +
Short year  . . . . . 0




F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F18=Message line
```

Figure B-1: Work With Tax Book Controls prompt screen

7 Complete the fields on this screen using the following information.

Short year

To indicate that this year is a short year, type a value of **1** through **9** in the *Short year* field. If this year is the first short year, type **1**. Type a value of **2** through **9** for additional short years within this accounting year.

8 Press Enter. The system displays a screen similar to Figure B-2.

```
APR/06/2009 08:18:36     Work With Tax Book Controls       FAGTBM     FADTBM

Company . . . . . : 004         JACKSONVILLE RIVER WALK
Tax book  . . . . . : FED
Tax year  . . . . . : 2008
Last depreciation period  :  2            Date last depreciated   5/06/2008
Tax book description  . . . FEDERAL TAX BOOK
Tax ID number . . . . . . . 87-001795
Taxing authority  . . . . . IRS   +   INTERNAL REVENUE SERVICE
Default tax regulation  . . ACR +     ACCELERATED COST RECOVERY SYS.
Accounting periods  . . . . 12
Minimum life (YYMM) . . . .  300          Maximum life (YYMM)  . 9900
Short taxable year  . . . . 1             52/53 week year? . . . 0  1=Yes, 0=No









F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F24=More keys
```

Figure B-2: Work With Tax Book Controls screen 1

The system defaults the value that you typed in the *Short year* field on the previous screen into the *Short taxable year* field on this screen.

9 Press Enter. The system displays a screen similar to Figure B-3.

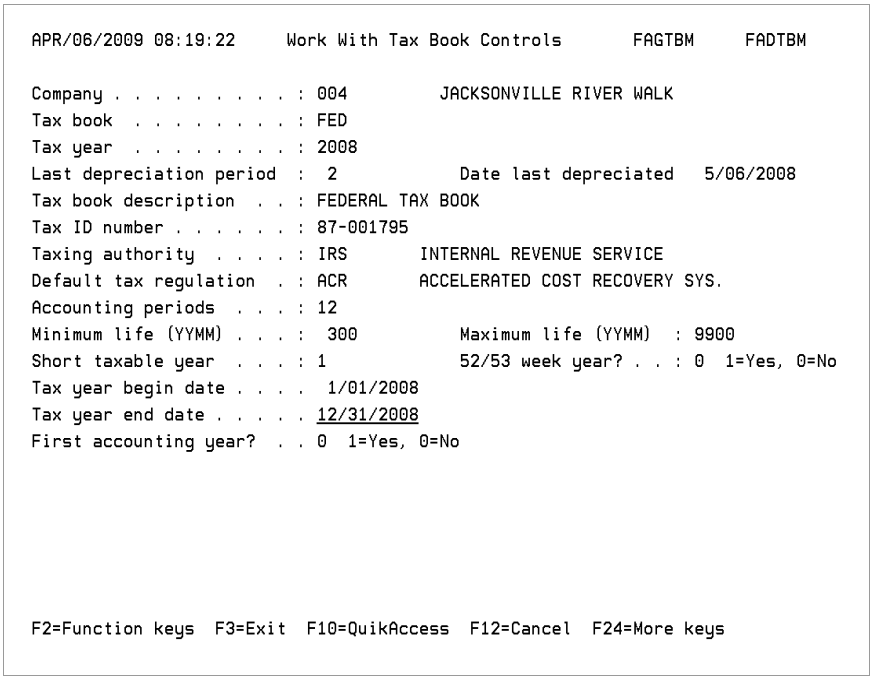

Figure B-3: Work With Tax Book Controls screen 2

By indicating that this year is a short year, the screen expands for you to enter the beginning and ending dates of the short year.

10 Complete the fields on this screen using the following information.

First accounting year?

This year is the first accounting year only if this book is the first book for the company. If there are years before this year for the company and book, this year is not the first accounting year.

11 Press Enter. Complete the remainder of the Work with tax book control screens as you do for any year.

For more information on tax book controls, refer to the “Defining and Working with Book Controls” chapter of this guide.

How the system calculates depreciation for CON assets for short years

Infinium FA calculates depreciation for CON assets for short years by determining a full year's worth of depreciation and multiplying that by a fraction that represents the periods in the short year over the periods in a full year.

For example, you have an asset that is installed on August 1, 1976, with a three year life and the cost basis is $3600. The depreciation using STL is as follows:

Year	Periods	Depreciation calculation	Depreciation amount
1	08/01/76 - 12/31/76	$1200 * 05/12	$ 700
2	01/01/77 - 12/31/77	$1200 * 12/12	$1200
3	01/01/78 - 12/31/78	$1200 * 12/12	$1200
4	01/01/79 - 12/31/79	$1200 * 07/12	$ 500

The CON method uses the mid-month convention. For more information on the mid-month convention, refer to the "Using Tax Regulations and Conventions" appendix.

How the system calculates depreciation for ACRS assets for short years and the ACRS method

To determine the amount of depreciation allowed in a short year for ACRS recovery property (except class 15, 18, 19 real property), the system does the following:

1. Calculates the allowed depreciation for a full year
2. Multiplies the amount calculated in Step 1 by a fraction that represents the number of months in the short year over the number of months in a full year (12)
3. Subtracts the amount calculated in Step 2 from the amount calculated in Step 1. This is referred to as the unrecovered balance

   The system carries the unrecovered balance forward to the year following the last year in the recovery period. However, this amount cannot exceed the recovery allowance permitted for the last year of the recovery period.

   Any remaining unrecovered balance is carried forward to the following year(s) until exhausted.

For example, you have an asset with a three year life and the cost basis is $3600.

Year	Table %	Periods	Depreciation calculation	Depreciation amount
1	.25	11/1/83 - 12/31/83	($3600*.25) * 2/12	$ 150
2	.38	1/1/84 - 12/31/84	($3600*.38)	$1368
3	.37	1/1/85 - 12/31/85	($3600*.37)	$1332
4	NA	1/1/86 - 12/31/86	Unrecovered Balance*	$ 750

*If the unrecovered balance was greater than $1332 in the above example, the system would also take the difference in the fifth year.

How the system calculates depreciation for MACRS assets for short years

For MACRS property installed in or disposed of in a short year, the system must measure short taxable years and determine the effective installation date or the effective disposition date.

Under the rules for short taxable years (Revenue Procedure 89-15), property subject to the half-year convention is treated as being placed in service (or disposed of) on the first day or midpoint of a month. The system calculates depreciation based on deemed dates, rather than actual dates, that property is placed in service or disposed.

First day or last day of the month

For a short taxable year that begins on the first day of a month or ends on the last day of a month, the system measures the taxable year using the number of months in the short taxable year. The system calculates the midpoint of the taxable year by dividing the number of months in the taxable year by two.

For example, your company has a short taxable year that begins on June 17 and ends on December 31. The system calculates the midpoint by doing the following:

1. Determining the number of months in the short taxable year to be seven
2. Calculating the mid-point to be at three and one half months, which is equal to September 15
3. Treating property as placed in service or disposed of on September 15

In accordance with Revenue Procedure 89-15, Infinium FA does not take one month into account more than once. If your company has successive short taxable years in which one year ends in the same calendar month the next year begins, the first year does not include the month in which the first short year ends.

For example, you have the following two successive short years:

- June 1, 2000 - October 15, 2000
- October 16, 2000 - May 31, 2001

Infinium FA considers the first short year as a short taxable year of four months and the second short year as a short taxable year of eight months.

Not the first or last day of the month

For a short taxable year that begins on a day other than the first day of a month and ends on a day other than the last day of a month, the system calculates the year using the number of days in the short taxable year. The midpoint of the taxable year is determined by dividing the number of days in the taxable year by two.

If the midpoint of the taxable year is a day other than the first or midpoint of a month, property is treated as placed in service or disposed on the nearest preceding first or midpoint of the month.

Using short years and the mid-quarter convention

The mid-quarter convention applies if more than 40% of the cost basis of MACRS personal property is installed within the last quarter of a given accounting year. If a short year is three periods or less, the mid-quarter convention by definition applies.

Property subject to the mid-quarter convention is deemed placed in service or disposed on the midpoint of the quarter of the taxable year in which the property is placed in service or disposed.

For property subject to the mid-quarter convention with a taxable year of exactly four calendar months, property is deemed placed in service on the midpoint of the month. If the short taxable year has exactly eight months, property is deemed placed in service on the first day of the month.

For all other short taxable years, the number of days in the year must be divided by four to determine each quarter. The quarter must then be divided by two to determine its midpoint.

Unless the midpoint falls on the first day or midpoint of a calendar month, property placed in service during a given quarter is treated as placed in service on the nearest preceding first day or midpoint of a calendar month.

For example, your company has a short year of March 15 - December 31. Infinium FA calculates the placed in service date in a mid-quarter convention situation as shown below.

Quarter	Arithmetic mid-point	Placed in service date
Quarter One: March 15 - May 26	April 20	Middle of April (April 15)
Quarter Two: May 27 - August 7	July 2	Beginning of July (July 1)
Quarter Three: August 8 - October 19	September 13	Beginning of September (September 1)
Quarter Four: October 20 - December 31	November 25	Middle of November (November 15)

Depreciation calculation

The depreciation calculation for the first taxable year is obtained by determining the allowed depreciation for a full first recovery period and multiplying that by a fraction.

The numerator of the fraction is the number of months that the property is in service during the taxable year and the denominator is 12. The numerator could be a fraction of a month depending on the convention that applies and the placed-in-service date. This will determine the depreciation for the short year.

That value is then multiplied by the mid-quarter factor applicable to the quarter in which the asset is deemed to be installed.

The depreciation allowance for each subsequent taxable year is determined by multiplying the unrecovered basis of the property at the beginning of the taxable year by the applicable depreciation rate.

In the year following a short year, the system changes the method of depreciation from a table method to a formula method using the simplified method.

For example, you have an asset with a five year life installed in a 10 month short year with a $1,000 cost basis.

Year	Table %	Depreciable basis	Depreciation calculation	Depreciation amount
1	.40	$1,000	($1,000 * .40) * 5/12 (HY)	$166.77
2	.40	$833.33	$833.33 * .40	$333.33
3	.40	$500	$500 * .40	$200.00
4	.40	$300	$300 * .40	$120.00
5	(1/19*12) or .6316	$180	$180 * .6316	$113.70
6	1	$66.30	$66.30 * 1	$ 66.30

The system calculates the depreciation for the years following the short year using the applicable declining balance formula.

In the above example, year two is the year following the short year. In year two the system starts calculating depreciation using the declining balance formula. For each year thereafter, the system applies the declining balance rate to the remaining depreciable basis as of the beginning of the tax year.

The system calculates depreciation for year five (the switch to straight-line year) using the remaining months in the asset's life.

Appendix C Creating Custom Depreciation Tables

C

This appendix explains how you can create custom depreciation tables to meet your business needs.

This appendix consists of the following topics:

Topic	Page
Overview	C-2
Creating depreciation (D type) tables	C-3
Creating units-of-production (U or UOP type) tables	C-8

Overview

As discussed in the “Using Depreciation Methods and Tables” chapter of this guide, Infinium FA provides three types of tables as follows:

- D - Depreciation

  Used in depreciation calculations to compute a factor by which to multiply a base figure to yield a life-to-date amount

- U - Units of Production

  Used in depletion/units of production calculations

- F - Formula

  Used in depreciation calculations by Infinium FA tables only

When creating custom depreciation tables, you can use only D type (depreciation) tables or U type tables (units of production). You cannot create F type (formula) tables.

Creating depreciation (D type) tables

Overview

As discussed in the “Using Depreciation Methods and Tables” chapter, D type tables are life-to-date tables. Infinium FA calculates the accumulated reserve for an asset using a D type table by:

1. Totaling the elements beginning with the first element of the table and ending with the element corresponding to the period up to which depreciation is being calculated
2. Dividing the result from Step 1 by the *Base Total* of the table.
3. Multiplying the result from Step 2 by the depreciable basis of the asset. The system uses this number as the accumulated reserve for the asset.

Infinium FA calculates the year-to-date depreciation for an asset by following the above steps with the exception that in Step 1, the system starts with the first element of the row representing that year rather than the first element of the table.

D type tables differ from units-of-production tables in that the rows of the table represent relative years rather than actual years in the life of an asset. For this reason, you must create a separate table representing each year life (05, 07, 10, 20, and so on). For each year life you must set up a table for each potential month of installation.

For example, to create a table to depreciate five year assets using a half year convention that spreads the half year depreciation evenly over the remaining periods of the first year, you must create 12 tables if each month of the year is a potential installation month with each table starting in a different month of the year. The three tables below would be used for assets installed in periods 1, 2, and 3.

Using these tables will not generate a half year’s depreciation in the year of disposition. These tables are valid only for normal years. To effectively spread the half year’s depreciation using the following tables, you must use a blank prorate code in your corporate book.

Year	Periods											
	01	02	03	04	05	06	07	08	09	10	11	12
01	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
02	1	1	1	1	1	1	1	1	1	1	1	1
03	1	1	1	1	1	1	1	1	1	1	1	1
04	1	1	1	1	1	1	1	1	1	1	1	1
05	1	1	1	1	1	1	1	1	1	1	1	1

Year	Periods											
	01	02	03	04	05	06	07	08	09	10	11	12
01	0	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545
02	1	1	1	1	1	1	1	1	1	1	1	1
03	1	1	1	1	1	1	1	1	1	1	1	1
04	1	1	1	1	1	1	1	1	1	1	1	1
05	1	1	1	1	1	1	1	1	1	1	1	1
06	1	0	0	0	0	0	0	0	0	0	0	0

Year	Periods											
	01	02	03	04	05	06	07	08	09	10	11	12
01	0	0	.6	.6	.6	.6	.6	.6	.6	.6	.6	.6
02	1	1	1	1	1	1	1	1	1	1	1	1
03	1	1	1	1	1	1	1	1	1	1	1	1
04	1	1	1	1	1	1	1	1	1	1	1	1
05	1	1	1	1	1	1	1	1	1	1	1	1
06	1	1	0	0	0	0	0	0	0	0	0	0

Creating D type tables

To create a D type table, perform the following steps:

1. From the Infinium FA main menu select *Control File Maintenance*.
2. From the Infinium FA main menu select *Entity Control Files.*
3. Select *Work with depreciation tables* [WWDT]. The system displays a screen similar to Figure C-1.

```
APR/03/2009 08:31:45    Work With Depreciation Tables      FAGD1M     FADD1M


Table name  . . . . . . . . . . . . . _________ +

To copy an existing depreciation table, enter the following information

Copy like table . . . . . . . . . . . _________ +









F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F18=Message line
```

Figure C-1: Work With Depreciation Tables prompt screen

4. Type a depreciation table name in the *Table name* field.
5. Press Enter. The system displays a screen similar to Figure C-2.

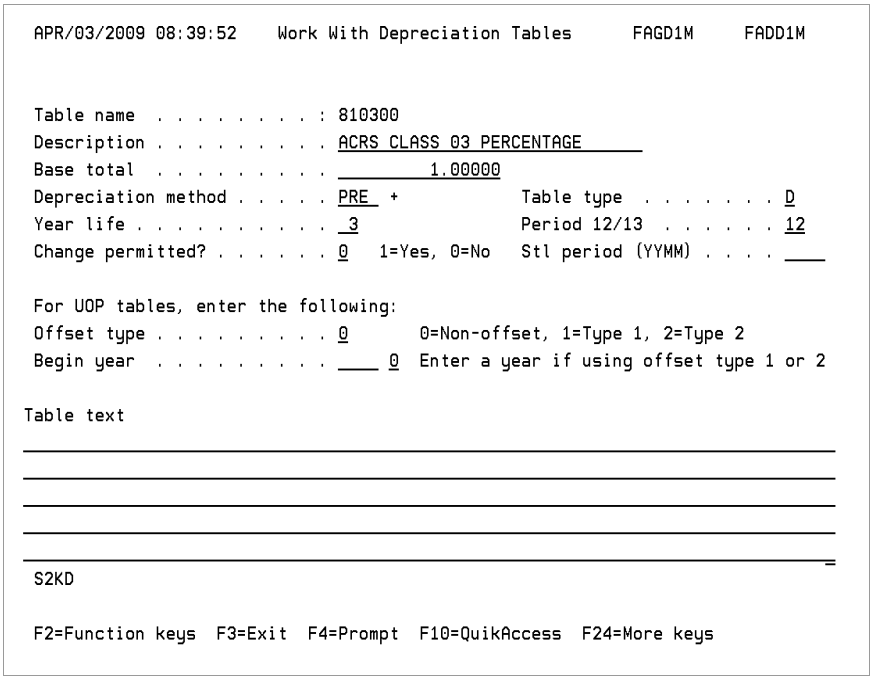

Figure C-2: Work With Depreciation Tables prompt screen

This screen contains the controls for the depreciation table.

6 Type **D** in the *Table type* field.

7 Press Enter. The system displays a screen similar to Figure C-3.

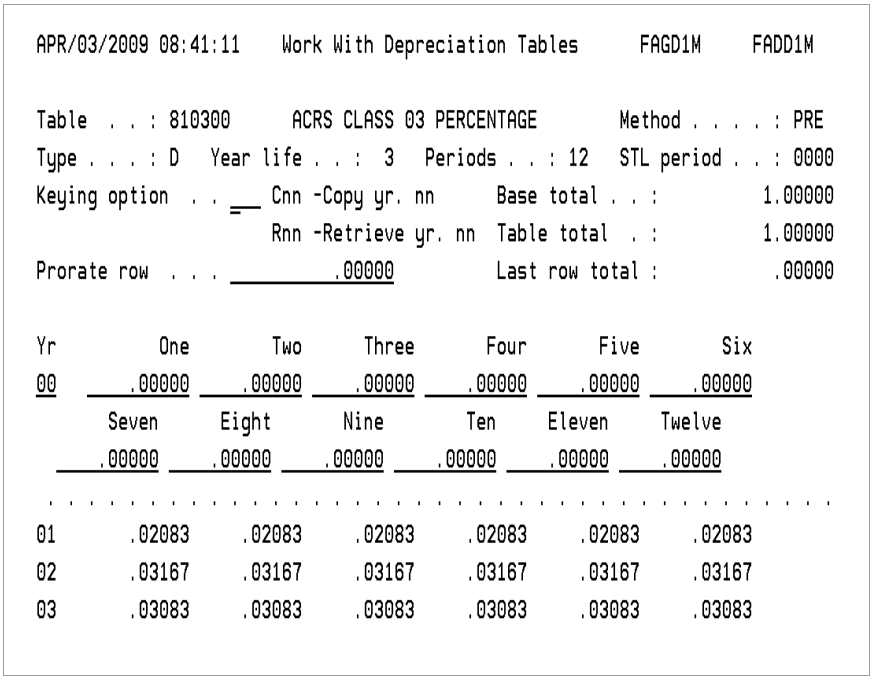

Figure C-3: Work With Depreciation Tables prompt screen

The system displays the percentages for each year in the lower portion of the screen.

8 Press F6 to display percentages for periods eight through twelve.

9 Type the year and percentages in the table entry section of this screen to add percentages for another year.

10 Press Enter. The system saves your changes.

Creating units-of-production (U or UOP type) tables

Overview

As discussed in the “Using Depreciation Methods and Tables” chapter of this guide, Infinium FA does not provide any U type tables. You must create your own. The two types of U tables are as follows:

- Offset

  Offset type field is set to **1** or **2**

- Non-offset

  Offset type field is set to **0**

Offset type tables

Offset type tables differ from D type tables in that the rows of the table represent actual years rather than relative years. Therefore, you must specify a begin year for an offset type table. You can use one offset type table for many assets regardless of their lives or installation years and periods if they use the same method of depreciation. Offset type tables are commonly used for 445 accounting or for assets that use a units of production method of depreciation.

The two types of offset tables are as follows:

- *Offset type* field is set to **1**
- *Offset type* field is set to **2**

Both types of tables work by developing a factor that the system multiplies by the depreciable basis of the assets that use these tables to determine depreciation. The system derives the numerator of both offset type 1 and offset type 2 tables by summing the elements of the table, starting with the element corresponding to the installation year and period of the assets using the table.

After Infinium FA closes on an asset using an offset type 1 or offset type 2 table, the system calculates depreciation for subsequent closes as follows:

1. Sums the elements in the table, starting with the element representing the period after the last close and ending with the year and period that you are closing to determine the numerator of the fraction
2. Calculates the remaining units in life for the asset by subtracting the units produced year-to-date from the units in life
3. Divides the number calculated in Step 1 (numerator) by the units in life calculated in Step 2 (denominator)
4. Multiplies the fraction calculated in Step 3 by the depreciable basis of the asset
5. Adds the number calculated in Step 4 to the previous accumulated reserve to determine the current accumulated reserve

Offset type 1 tables

Offset type 1 tables differ from offset type 2 tables in that the denominator of the factor the system uses to calculate depreciation is the units in life. You type this number in the *Units in Life* field in the corporate book data segment for the asset in the *Work with assets* function.

Offset type 2 tables

Offset type 2 tables differ from offset type 1 tables in that the denominator of the factor that the system uses to calculate depreciation is derived from the life of the asset and the installation date entered in the corporate book data segment.

You can use offset type tables only for your corporate book and for mineral reserves for your tax book.

Non-offset type tables

Non-offset type tables (offset type **0** tables) work like D type tables except that you can modify non-offset type tables after you enter assets that reference the table. You can use non-offset type tables in both your corporate and tax books.

To use non-offset type tables, you must perform the following steps:

- Specify a *Base total* for your table. This total represents the expected units in the life of the asset; for example, miles driver, machine hours worked, copies produced.

- Type the rows into the table representing the actual number of units used or produced for each period with the first row of the table representing the installation year of the asset.

The system calculates depreciation for assets that use non-offset type tables in the same manner in which it calculates depreciation for assets that use D type tables. You can refer to the section “How do you create depreciation (D type) tables?” for more information on how the system calculates depreciation for D type tables.

Creating U or UOP type tables

To create a units of production table, perform the following steps:

1. From the Infinium FA main menu select *Control File Maintenance*.
2. From the Infinium FA main menu select *Entity Control Files.*
3. Select *Work with depreciation tables* [WWDT]. The system displays the Work With Depreciation Tables prompt screen similar to Figure C-1.
4. Type a depreciation name in the *Table name* field.
5. Press Enter. The system displays a screen similar to Figure C-4.

```
APR/03/2009 08:43:45    Work With Depreciation Tables      FAGD1M     FADD1M


Table name  . . . . . : 445AK
Description . . . . . 445AK USED FOR AK09270730
Base total  . . . . . 5148.00000
Depreciation method . . . . . UPR  +           Table type  . . . . . U
Year life . . . . . 99              Period 12/13  . . . . . 12
Change permitted? . . . . . 1   1=Yes, 0=No   Stl period (YYMM) . . . . ____

For UOP tables, enter the following:
Offset type . . . . . 2       0=Non-offset, 1=Type 1, 2=Type 2
Begin year  . . . . . 2005 1  Enter a year if using offset type 1 or 2

Table text
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
S2KD

F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F24=More keys
```

Figure C-4: Work With Depreciation Tables screen 1

This screen contains the controls for the units-of-production table.

6 Complete the fields on this screen using the following information:

Base total

Specify a *Base total* if this is a non-offset type table.

Table type

Type **U** in the *Table type* field.

Offset type

Type a value in the *Offset type* field.

Begin year

Type a year in the *Begin year* field if this is an offset type table (**1** or **2**).

7 Press Enter to access the units used or produced for each period. The system displays a screen similar to Figure C-5.

```
APR/03/2009 08:44:55    Work With Depreciation Tables      FAGD1M     FADD1M

Table  . . : 445AK       445AK USED FOR AK09270730       Method . . . . : UPR
Type . . . : U   Year life . . : 99   Periods . . : 12   STL period . . : 0000
Keying option  . . ___  Cnn -Copy Yr. nn      Base total  . . . . :       5148
                        Rnn -Retrieve Yr. nn  Table total . . . . :        624
Prorate Row  . . . _________0                 Last Row Total  . . :          0

Yr          One        Two      Three       Four       Five        Six
00    _________0 _________0 _________0 _________0 _________0 _________0
     Seven      Eight       Nine        Ten     Eleven     Twelve
_________0 _________0 _________0 _________0 _________0 _________0
 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
01            4          4          5          4          4          5
02            4          4          5          4          4          5
03            4          4          5          4          4          5
04            4          4          5          4          4          5
05            4          4          5          4          4          5
06            4          4          5          4          4          5
07            4          4          5          4          4          5
08            4          4          5          4          4          5

F2=Function keys  F3=Exit  F16=Save  F10=QuikAccess  F24=More keys
```

Figure C-5: Work With Depreciation Tables screen 2

In the lower portion of the screen the system displays the units used or produced for each year.

8 Press F6 to display units for periods eight through twelve.

9 To add units for another year, type the year and units in the table entry section of this screen.

10 Press Enter. The system saves your changes.

Appendix D Accounting Journal Entries

D

This appendix illustrates the accounting journal entries that Infinium FA generates.

The appendix consists of the following topics:

Topic	Page
Accounting journal entries overview	D-2
Additions or purchases journals	D-3
Depreciation journals	D-4
Transfer journals	D-5
Retirement journals	D-7

Accounting journal entries overview

Depending upon which journals you designate as required in your company controls, Infinium FA uses a combination of the following accounts:

- Depreciation Expense
- Asset
- Purchases
- Accumulated Reserve
- Net Proceeds
- Ordinary Gain/Loss
- Extraordinary Gain/Loss
- Transfers In
- Transfers Out

Additions or purchases journals

Overview

When you acquire an asset, Infinium FA generates an accounting entry to charge the asset to the appropriate account. For the system to create addition transactions, you must use a Purchases account. The Purchases account acts as a wash account.

The wash account is a control mechanism that you can use to balance the fixed assets subledger to your general ledger. The balance of the wash account should always be zero at the end of an accounting period. Only one Purchases account per company is required, although you may want to set up Purchases accounts for each class of assets for additional control purposes.

Additions journal example

Below is an example of an additions or purchases journal entry.

If you purchase an asset for $1,000.00 on June 1st, your accounts payable system generates this transaction:

Purchases	$1,000.00	
Accounts Payable Trade		$1,000.00

The entry above is to the Purchases account, rather than the individual Asset account. Any entry into the Purchases account acts as a signal that an asset has been purchased and should be reflected in the Infinium FA system.

When you add the asset to the Infinium FA system, Infinium FA generates this transaction:

Asset	$1,000.00	
Purchases		$1,000.00

For the entry above Infinium FA uses the accounts of the accounting location to which the asset belongs.

Depreciation journals

Overview

When you run a trial period end close, Infinium FA generates trial depreciation journals. After you review and confirm these journals, you can run a period end close that generates depreciation journals that you can transfer to your general ledger.

Depreciation journal example

Below is an example of a depreciation journal.

If you purchase the same asset from the previous example and use a depreciation table of straight line, STL, when you close the June period, Infinium FA generates this journal:

Depreciation Expense	$16.67	
Accumulated Reserve		$16.67

For the entry above, Infinium FA uses the accounts from the accounting locations to which the asset belongs.

Transfer journals

Overview

Infinium FA maintains the following types of transfers:

- Intracompany transfers
- Intercompany transfers

Intracompany transfers occur when you transfer an asset from one accounting location to another within the same company. The entry from this type of transfer is optional and is useful only to organizations that track their balance sheet asset accounts at a level lower than the company level.

Intercompany transfers occur when you transfer an asset from one accounting location in one company to an accounting location in a different company. The entry from this type of transfer uses the intercompany exchange accounts as well as the asset and accumulated reserve accounts from the accounting locations.

Transfer journal examples

Below are intracompany journal and intercompany journal examples.

Intracompany transfer

If you transfer the asset in the previous examples from accounting location 001-001 to accounting location 001-002 on June 15th, Infinium FA generates the following transactions:

Using the accounts of the “From” location 001-001:

Accumulated Reserve	$ 16.67	
Transfers Out	$ 983.33	
Asset		$1,000.00

Using the accounts of the “To” location 001-002:

Asset	$1,000.00	
Accumulated Reserve		$ 16.67
Transfers In		$ 983.33

Intercompany transfer

If you transfer the asset in the previous examples from accounting location 001-002 in Company 001 to accounting location 002-002 in Company 002 on June 20th, Infinium FA generates the following transactions:

Using the accounts of the “From” accounting location 001-002 and Company 001’s Intercompany Receivable account:

Accumulated Reserve	$ 16.67	
Intercompany Receivable	$ 983.33	
Asset		$1,000.00

Using the accounts of the “To” accounting location 002-002 and Company 002’s Intercompany Payable account:

Asset	$1,000.00	
Accumulated Reserve		$ 16.67
Intercompany Receivable		$ 983.33

You must create the intercompany exchange accounts using the *Work with interco exchange* function before you perform an intercompany transfer. For more information on creating intercompany exchange accounts, refer to the “Defining and Working with Optional Controls” chapter of the guide.

Retirement journals

Overview

Retirement transactions are similar to addition or purchases transactions in that you must utilize a special Net Proceeds account. The Net Proceeds account is similar to the Purchases account in that it should have a zero balance at the end of each period.

Retirement journal example

Below is an example of a retirement journal.

For example, if you retire the asset from the previous examples on July 1st for the amount of $900 and pay removal costs of $50, the system generates the transactions below.

To reflect the $900 sale amount:

Cash	$900.00	
Net Proceeds		$ 900.00

To reflect the $50 removal costs:

Net Proceeds	$ 50.00	
Cash		$ 50.00

To reflect the voluntary retirement of the asset:

Accumulated Reserve	$ 16.67	
Net Proceeds	$850.00	
Ordinary Gain/Loss	$133.33	
Asset		$1,000.00

Notes

Appendix E Adjusted Current Earnings Depreciation

E

This appendix contains information on Adjusted Current Earnings, more commonly known as ACE. Depending on your federal tax book, Infinium FA calculates one or more of the following:

- Regular tax depreciation
- Adjusted Current Earnings depreciation, ACE
- Alternative Minimum Tax depreciation, AMT

For Infinium FA to correctly calculate ACE for your assets, you must follow the ACE setup procedure as outlined in this appendix.

This appendix consists of the following topics:

Topic	Page
Ajusted Current Earnings, ACE, depreciation overview	E-2
Following the ACE setup procedure	E-4

Ajusted Current Earnings, ACE, depreciation overview

As part of the Tax Reform Act of 1986, section 56(g) of the IRS code requires further adjustment to the AMT calculation for assets installed before January 1, 1994.

The AMT calculation uses the following:

- Half-year convention
- 150% declining balance method switching to straight line
- Class life of the asset

In general for any taxable year beginning after 1989, the AMT income of any corporation increases by 75% of the excess, if any, of the ACE of the corporation over the AMT income.

Alternative depreciation system, ADS

When ACE is calculated, a depreciation adjustment is necessary. In general depreciation for ACE purposes is calculated using the ADS of section 168(g) of the IRS code.

The ADS is generally straight line over the class life (midpoint of the guideline class) of an asset. The depreciation deduction for ACE purposes is calculated as follows:

- For property placed in service after 12/31/89 and before 1/1/94:
  - Straight line method
  - Class life
- For MACRS property placed in service before 1/1/90:
  - Remaining straight line method
  - AMT remaining basis as of the close of the last tax year beginning before 1/1/90
  - AMT remaining life as of the close of the last tax year beginning before 1/1/90
- For ACRS property placed in service before 1/1/90:
  - Remaining straight line method

- Regular tax remaining basis as of the close of the last tax year beginning before 1/1/90
- AMT remaining life as of the close of the last tax year beginning before 1/1/90

ACE depreciation tables

Therefore, the ACE depreciation tables for assets installed before 1/1/90 are different from the ACE depreciation tables for assets installed after 12/13/89.

For assets installed before 1/1/90, the ACE depreciation tables are RSTL.

For assets installed after 12/31/89, the ACE depreciation tables are straight line tables over the class life (midpoint of the guideline class) of the asset, 860505 for example.

ACE remaining basis
ACE remaining life

Infinium FA displays zero in the *ACE Remaining Basis* and *ACE Life* fields for assets installed after 12/31/89, because the system uses the regular tax depreciable basis to calculate ACE.

Infinium FA displays values in these fields for assets installed before 1/1/90. The system calculates these values when you run the *Update ACE Tables* function during the ACE setup procedure as outlined in this appendix.

To ensure the accuracy of the *ACE Remaining Basis* and *ACE Remaining Life* fields, you must follow the ACE setup procedure. It is very important that you check these values after running the *Update ACE Tables* function.

Following the ACE setup procedure

When initializing your Infinium FA system, to correctly calculate ACE values for assets installed before 1/1/90, you must follow the steps outlined below to set the following:

- ACE Remaining Basis
- ACE Remaining Life
- ACE Depreciation tables

For Infinium FA to correctly set the above ACE values and tables, follow these steps:

1. Use the *Work with accounting years* function to change the current accounting year for the federal tax book to 1989.

   For fiscal years adjust the year 1989 to the year that contains the date December 31, 1989.

   For example, if the fiscal year 1990 starts on 7/01/89 and ends on 6/30/90, change the current accounting year to 1990.

   You must adjust all other dates listed in the subsequent steps accordingly.

2. Copy and save your database. This is a function that is performed by your MIS department.

3. Use the *Run period end closing* function to close period 12, 1989 for ACR assets only. Close only your ACR assets by selecting the items that have ACR for the *Tax Reg* field.

4. Run the *Initialize year end* function for 1989 to advance the current accounting year to 1990 (this year can be different for fiscal years).

5. Run the *Update ACE tables* function for the system to assign the *ACE remaining life* and *ACE remaining basis* fields.

6. Use the *Display asset* function to check the *ACE remaining life* and *ACE remaining basis* fields for assets installed before 1990.

   If you do not see figures in both of these fields, stop this procedure and contact Infinium Customer Support. If there are values in these fields, continue to the next step.

7 Verify the accuracy of the *ACE remaining basis* and *ACE remaining life* fields for an ACRS asset and a MACRS asset.

8 Use the *Run period end closing* function to close period 12, 1990 for your ACR assets only.

9 Run the ACE report to verify ACE depreciation figures as of 12/31/90.

10 Run the *Initialize year end* function for 1990. Running this function automatically advances the current accounting year to 1991.

11 Repeat steps seven, eight, and nine for each subsequent year up to the year to which you want to perform your reconciliation.

12 Copy and save your database. This is a function that is performed by your MIS department.

13 Use the *Run period end closing* function to close the period to which you want to reconcile.

14 Continue normal processing.

Notes

Appendix F Tax Regulations and Conventions

F

This appendix contains information on tax regulations and conventions as they are used in Infinium FA.

This appendix consists of the following topics:

Topic	Page
Conventions for the ADR, ACR, and MACRS regulations	F-2
Conventional (CON) regulation	F-4

Conventions for the ADR, ACR, and MACRS regulations

Modified half year convention

The ADR regulation uses one of the following two conventions:

- Half year (beginning of the year)
- Modified half year

The following table illustrates how Infinium FA calculates depreciation for an asset using the modified half year convention.

Modified half year summary

If an asset is installed in the . . .	And if that asset is retired in the . . .	Infinium FA calculates . . .
First half of the year	First half of the year	▪ A full year of depreciation in the year of installation, and ▪ Zero depreciation in the year of disposition
Second half of the year	First half of the year	▪ Zero depreciation in the year of installation, and ▪ A half year of depreciation in the year of disposition
First half of the year	Second half of the year	▪ A full year of depreciation in the year of installation, and ▪ A half year of depreciation in the year of disposition
Second half of the year	Second half of the year	▪ Zero depreciation in the year of installation, and ▪ A full year of depreciation in the year of disposition

Full-year convention

For personal property the full-year convention is mandatory for the ACRS regulation. Using the full-year convention, the system calculates a full year's depreciation in the year of installation and zero depreciation in the year of disposition, regardless of what period the asset is installed or disposed.

Half-year convention

For personal property the half-year convention is mandatory for the MACRS regulation. Using the half-year convention, the system calculates a half year's depreciation in the year of installation and in the year of disposition, regardless of what period the asset is installed.

Depreciation begins in period seven of the year if the asset is installed in period one through six. If the asset is installed in periods eight through twelve, the system calculates depreciation beginning in the month of installation, catching up depreciation for period seven through the current period.

Half-month convention

For real property installed after June 23, 1984, the half-month convention is mandatory for the ACRS and MACRS regulation.

Full-month convention

For real property installed between January 1, 1981 and June 23, 1984, the full-month convention is mandatory for the ACRS regulation.

Conventional, CON, regulation

Overview

Infinium FA provides the CON regulation to use for the following types of assets:

- Assets installed before 1981 that are not governed by the ADR or Class Life system
- Assets in a state or alternate tax book that do not require any federal depreciation regulation

Infinium FA allows you to override the ACR regulation with the CON regulation in the tax book segment in any asset for any year. Using the CON regulation allows you to enter an accumulated reserve and a depreciation table. The ACR regulation does not allow you to enter an accumulated reserve and automatically assigns the depreciation table based upon the installation date, guideline class, and any special elections.

Therefore, it is not uncommon for you to override the CON regulation when there are discrepancies with either the depreciation table or the accumulated reserve the system assigns. If you use the CON regulation for assets installed after 1981, the system treats CON assets as if none of the normal tax regulations apply.

If you use the CON regulation on assets, you must be aware that the system does not do the following:

- Calculate short year depreciation correctly according to the ACRS/MACRS rules
- Use the normal half-year convention

  If you use a MACRS table for a CON asset, the system calculates a half year of depreciation in the year of installation, but not in the year of disposition. Therefore, the accumulated reserve of the asset is incorrect.

- Calculate AMT or ACE depreciation
- Test or apply the mid-quarter convention test

  The system does not include assets using the CON regulation when you run either the *Test for mid-quarter convention* or the *Apply mid-quarter convention* functions

- Apply automobile depreciation limits
- Allow for ITC
- Follow any other rules specific to ACRS or MACRS

Mid-month convention

When you use the mid-month convention, the system calculates depreciation as follows:

- For installations:
  - If you install an asset on or before the 15th of the month, the system begins depreciation in the month of installation.
  - If you install an asset after the 15th of the month, the system begins depreciation in the next month.
- For retirements:
  - If you retire an asset on or before the 15th of the month, the system calculates zero depreciation for the month of disposition.
  - If you retire an asset after the 15th of the month, the system calculates a full month’s depreciation for the month of disposition.

We strongly recommend that you do not use the CON tax regulation if you will be affected by the exclusions listed above.

Notes

Appendix G Like-Kind Exchange Examples

G

This appendix contains examples on how to enter assets in *Work with like-kind exchanges.* The depreciation calculated for the assets you are exchanging is also explained. For more information regarding the rules for like-kind asset exchanges, refer to your current IRS tax documentation.

This appendix consists of the following topics:

Topic	Page
Single asset like-kind exchanges	G-2
Multi-asset like-kind exchanges	G-5

Single asset like-kind exchanges

One car exchanged for one car

If you exchange one car for another car that has the same installation date, same method of depreciation, and the same guideline class, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-1 below.

```
DEC/28/2001 10:26:44    Work With Like-Kind Exchanges      FAGLKM     FADLKM


Company . . . . . . . . . 001
Exchange group  . . . . .       AUTO 1   SINGLE AUTO EXCHANGE
Multi-asset exchange? . . 0
Exchange date . . . . . . 12/28/01

Like-Kind Assets
Seq   Exchanged Assets       Received Assets    Linked   Excess Basis Assets
                                                to Seq
01  _________CAR1 + ___ +  _________CAR2 + ___ +  __   _____________ + ___ +
02  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
03  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
04  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
05  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +

Unlike Asset
    _____________ + ___ +  _____________ + ___ +



F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F12=Cancel
```

Figure G-1: Work with Like-Kind Exchanges asset selection screen

For example, if Car 1 was installed in 1998 and traded in 2001, Infinium FA will use the fourth year depreciation rate (11.52%) to calculate depreciation on Car 2. The first year auto cap for 2001 ($3,060.00) is compared to the depreciation calculated to determine the allowable depreciation on Car 2. The lesser of the two amounts is used as the deprecation for the year.

If the adjusted basis of Car 2 is $20,000, depreciation in the year 2001 is calculated as: $20,000 x 11.52% = $2,304 x ½ (half year convention) = $1,152. The depreciation taken for the year would be $1,152, rather than $3,060.

One car and cash exchanged for one car

If you exchange one car and cash for another car and the exchange results in excess basis, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-2 below.

Both cars have the same installation date, same method of depreciation and same guideline class. You create the excess basis car as a component of the car you are receiving with the same method of depreciation and the same guideline class. However, the excess basis asset has an installation date that is the same as the exchange group date.

```
DEC/28/2001 10:38:28    Work With Like-Kind Exchanges      FAGLKM     FADLKM


Company . . . . . . . . . . 001
Exchange group  . . . . .     AUTO CASH   SINGLE AUTO EXCHANGE PLUS CASH
Multi-asset exchange? . . 0
Exchange date . . . . . . 12/28/01

Like-Kind Assets
Seq   Exchanged Assets       Received Assets    Linked   Excess Basis Assets
                                                to Seq
01  _________CAR3 + ___ +  _________CAR4 + ___ +  __   _________CAR4 + __1 +
02  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
03  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
04  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
05  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +

Unlike Asset
    _____________ + ___ +  _____________ + ___ +



F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F12=Cancel
```

Figure G-2: Work with Like-Kind Exchanges asset selection screen

In this example, Car 3 is installed in 1998 and traded in 2001. Car 4 will be depreciated just as Car 3 would have been had it not been retired. Therefore, Infinium FA will use the fourth year depreciation rate (11.52%) to calculate the depreciation on Car 4. Depreciation for Car 4-1 will then be calculated beginning on the date of the exchange.

Car 4-1 is treated as a newly acquired asset. Therefore, the first year depreciation rate (20%) is used to calculate depreciation on Car 4-1.

Car 4 and Car 4-1 are automatically linked together because they are entered on the same line on the screen. The allowable depreciation for Car 4 and Car 4-1 is calculated by prorating the 2001 first year auto cap of $3,060.00 over both Car 4 and Car 4-1. Because the two cars are linked

together, they are subject to one auto cap. The year of the exchange determines the correct auto cap to use, not the installation date of the received asset or the excess basis asset.

Multi-asset like-kind exchanges

One car exchanged for two cars

If you exchange one car for two cars, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-3 below.

```
DEC/28/2001 10:43:39    Work With Like-Kind Exchanges      FAGLKM     FADLKM


Company . . . . . . . . . 001
Exchange group  . . . . .        AUTO 2   ONE AUTO FOR TWO AUTOS
Multi-asset exchange? . . 1
Exchange date . . . . . . 12/28/01

Like-Kind Assets
Seq   Exchanged Assets       Received Assets    Linked   Excess Basis Assets
                                                to Seq
01  _________CAR5 + ___ +  _________CAR6 + ___ +  __   _____________ + ___ +
02  _________CAR5 + ___ +  _________CAR7 + ___ +  __   _____________ + ___ +
03  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
04  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
05  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +

Unlike Asset
    _____________ + ___ +  _____________ + ___ +



F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F12=Cancel
```

Figure G-3: Work with Like-Kind Exchanges asset selection screen

You must specify Car 5 next to both Car 6 and Car 7. Each received asset must have a corresponding exchanged asset. This requirement is necessary to ensure that the guideline class and method of depreciation for each exchanged and received asset are the same.

For example, if Car 5 was installed in 1999 and traded in 2001, Infinium FA would calculate depreciation on Car 6 and Car 7 separately using the third year depreciation rate for each. The 2001 auto cap would then be applied to each car individually. The $3,060 in depreciation can be taken on Car 6 and another $3,060 in depreciation can be taken on Car 7 in 2001. Car 6 and Car 7 are not linked in any way and therefore use two separate auto caps.

One car and cash exchanged for two cars

If you exchange one car and cash for two cars and the exchange results in excess basis for one of the cars, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-4 below.

The three cars involved in the exchange have the same installation date, same method of depreciation and same guideline class. You create the excess basis car as a component of one of the cars you are receiving with the same method of depreciation and the same guideline class. However, the excess basis asset has an installation date that is the same as the exchange group date.

```
DEC/28/2001 10:52:03    Work With Like-Kind Exchanges      FAGLKM     FADLKM


Company . . . . . . . . . 001
Exchange group  . . . . .   AUTO 2 CASH   ONE AUTO & CASH FRO 2 AUTOS
Multi-asset exchange? . . 1
Exchange date . . . . . . 12/28/01

Like-Kind Assets
Seq   Exchanged Assets       Received Assets    Linked   Excess Basis Assets
                                                to Seq
01  ________CAR8 + ___ +  ________CAR9 + ___ +  __   ________CAR9 + __1 +
02  ________CAR8 + ___ +  _______CAR10 + ___ +  __   _____________ + ___ +
03  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
04  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
05  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +

Unlike Asset
    _____________ + ___ +  _____________ + ___ +



F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F12=Cancel
```

Figure G-4: Work with Like-Kind Exchanges asset selection screen

For example, if Car 8 was installed in 2000 and traded in 2001, the second year depreciation rate is used to calculate depreciation on Car 9 and Car 10 (32%). The first year depreciation rate is used to calculate the depreciation on the excess basis asset, Car 9-1, (20%). The depreciation on Car 10 is limited to the 2001 first year auto cap of $3,060.00. The 2001 first year auto cap is prorated over Car 9 and Car 9-1 because these cars are linked together.

Two cars exchanged for one car

Exchanged cars have same installation years

If you exchange two cars for one car and the installation dates of the cars you are exchanging are in the same year, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-5 below.

```
DEC/28/2001 10:56:03    Work With Like-Kind Exchanges      FAGLKM     FADLKM


Company . . . . . . . . . 001
Exchange group  . . . . .  2 AUTOS 1 YR   2 AUTOS FOR 1 AUTO SAME YEAR
Multi-asset exchange? . . 1
Exchange date . . . . . . 12/28/01

Like-Kind Assets
Seq   Exchanged Assets       Received Assets    Linked   Excess Basis Assets
                                                to Seq
01  _______CAR11 + ___ +  _______CAR13 + ___ +  __   _____________ + ___ +
02  _______CAR12 + ___ +  _____________ + ___ +  __   _____________ + ___ +
03  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
04  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +
05  _____________ + ___ +  _____________ + ___ +  __   _____________ + ___ +

Unlike Asset
    _____________ + ___ +  _____________ + ___ +



F2=Function keys  F3=Exit  F4=Prompt  F10=QuikAccess  F12=Cancel
```

Figure G-5: Work with Like-Kind Exchanges asset selection screen

The adjusted basis and accumulated reserve of Car 13 are the sum of the adjusted bases and accumulated reserves of Car 11 and Car 12.

Exchanged cars have different installation years

If you exchange two cars for one car and the installation dates of the cars you are exchanging are in different years, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-6 below.

You must create a placeholder asset with the same method of depreciation and the same guideline class as one of the cars you are exchanging. The placeholder asset should be a component of the car you are receiving. The placeholder asset is used to accurately reflect the accumulated reserve on the assets exchanged because the newly acquired asset must take on all attributes of the traded assets.

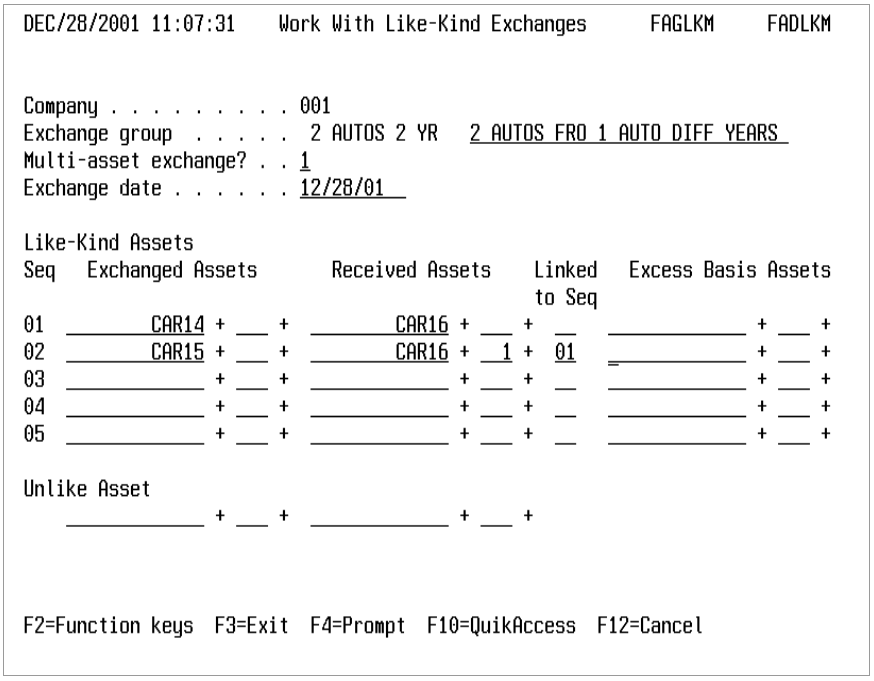

Figure G-6: Work with Like-Kind Exchanges asset selection screen

Car 16 has the same installation date and adjusted basis as Car 14. The placeholder asset (Car 16-1) has the same installation date and adjusted basis as Car 15.

Although different rates are used to calculate depreciation for Car 16 and Car 16-1, one auto cap is prorated over both cars. Therefore, they must be linked together using *Linked to Seq*.

One car, one truck, two computers, and cash exchanged for one car, one truck, and one computer

If you exchange one car, one truck, two computers, and cash for one car, one truck, and one computer and the exchange results in excess basis for the new car and new computer, complete the Work with Like-Kind Exchanges asset selection screen similar to Figure G-7 below.

Both cars have the same installation date, same method of depreciation, and same guideline class. You create the excess basis car as a component of the car you are receiving with the same method of depreciation and the same guideline class. However, the excess basis asset has an installation date that is the same as the exchange group date.

In this example the installation dates of the computers you are exchanging are in different years. Therefore, you must create a placeholder asset for one of the computer assets you are exchanging with the same method of depreciation and the same guideline class.

The placeholder asset should be a component of the computer asset you are receiving. The placeholder asset is used to accurately reflect the accumulated reserve on the assets exchanged because the newly acquired asset must take on all attributes of the traded assets.

You must also create an excess basis asset to handle the excess basis for the new computer. The excess basis asset should be created as a component of the computer asset you are receiving with the same method of depreciation and the same guideline class. However, the excess basis asset has an installation date that is the same as the exchange group date.

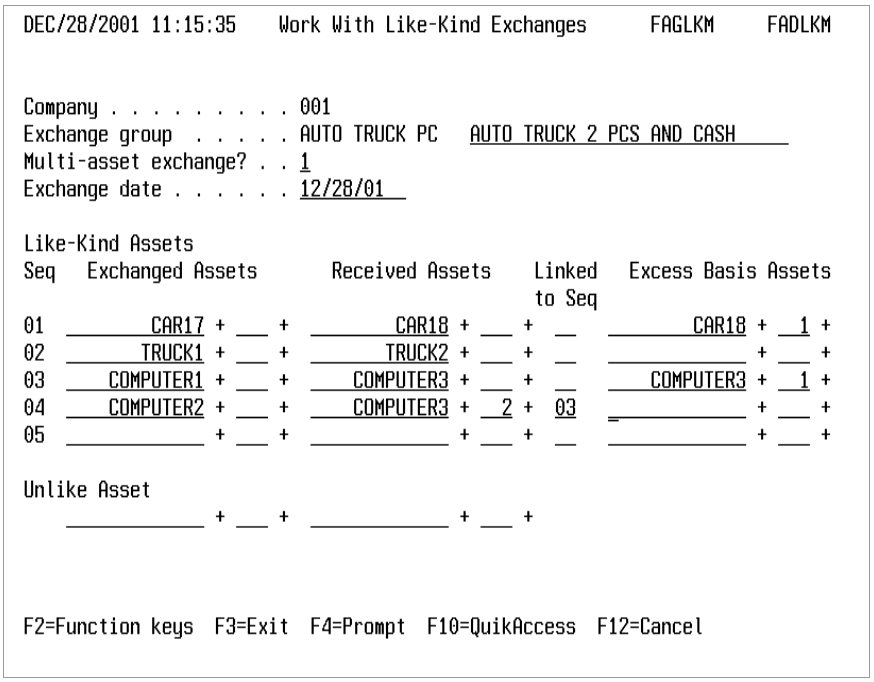

Figure G-7: Work with Like-Kind Exchanges asset selection screen

Computer 3, 3-1, and 3-2 are all linked together. To retire or transfer one of these assets, you must retire or transfer all of them.

The excess basis assets are linked to the received assets next to them. You use *Linked to Seq* to link placeholder assets to received assets.

Notes