

# American Management Association's

## Fixed Asset Management

### ***Learning Objectives***

- Provide the Fixed Asset Manager with the Knowledge and Tools Necessary to Ensure That Enterprises Get the Optimum Return from Their Fixed Asset Investment
- Provide Others in the Enterprise with the Information They Need to Ensure Success in Managing the Enterprise's Fixed Assets Effectively

### ***Introduction to Fixed Asset Management***

- Define and Distinguish Between Fixed Assets and Intangible Assets
- Identify Internal and External Stakeholders Who Demand Effective Asset Management
- Explain the Job of the Fixed Asset Manager and the Significance of Your Role in the Organization

### ***Fixed Assets in Financial Statements***

- Understand the American Rules for Recording Fixed Assets in Financial Statements
- Apply the Rules When Determining, for Financial Statement Purposes, an Asset's Cost, Useful Life, Depreciation Method, Salvage Value, and Other Characteristics
- Be Able to Consult with Your Enterprise's Financial Accountants on How to Use These Rules
- Be Aware That the Source of These Rules Is the FASB Codification
- Recognize the Requirements These Rules Place on the Fixed Asset Database
- Understand Where the IFRS Rules Are Different for Fixed Assets

### ***The Fixed Asset Database and Fixed Asset Reporting***

- Comprehend the Detailed Fields Necessary in the Fixed Asset Database
- Compare the Master List of the Fields in the Fixed Asset Database with the One Provided By Software Vendors
- Understand How to Structure an Asset ID Number
- Decide Whether to Add Pictures of Assets to the Database
- Create an Asset Category List Appropriate for Your Enterprise
- Create a Tentative List of Necessary Fixed Asset Reports

### ***Fixed Assets on Property Tax Returns***

- Distinguish Between Real and Personal Property for Taxation Purposes
- Discover Potential Tax Savings
- Implement Strategies for Reducing Property Taxes

### ***Fixed Assets on US Income Tax Returns***

- Understand the Rules in the US Tax Code for Recording and Reporting Fixed Assets on US Income Tax Returns
- Use These Rules to Determine, for Tax Purposes, an Asset's Cost, Useful Life, Depreciation Method, Salvage Value, and Other Characteristics
- Understand the Many Complex and Specific Rules for Different Types of Assets
- Be Able to Consult with Your Enterprise's Tax Experts on How to Use These Rules
- Identify the Sources of These Rules—The US Internal Revenue Code and Various Internal Revenue Service Publications
- Appreciate Issues Relating to State and Foreign Jurisdiction
- Recognize the Requirements These Rules Place on the Fixed Asset Database

### ***Fixed Assets, Property Insurance, and Property Maintenance***

- Understand the Meaning of the *Insurable Value* of an Asset and How to Obtain It
- Know How to Work with the Enterprise's Insurance Executive Regarding Fixed Asset Insurance
- Own the Importance of Having a Field for Insurable Value in the Fixed Asset Database
- Ensure That Your Enterprise Has Adequate Proof of Loss Information Available for All Fixed Assets
- Use the Fixed Asset Database to Assist in Property Maintenance

### ***Management Tools for the Fixed Asset Manager***

- List and Own the Steps Necessary to Become a Successful Fixed Asset Manager
- Identify the Management Tools the Fixed Asset Manager Employs to Be Effective
- Understand the Impact Human Relationships Have on Fixed Asset Management
- Identify and Evaluate the Hardware and Software Tools Necessary to Create and Maintain the Fixed Asset Database

### ***Other Important Duties of the Fixed Asset Manager***

- Research the Technologies Available for Tagging and Implement a Tagging Program
- Tag, Inventory, and Track Company Assets
- Create the Forms Necessary to Control Asset Location and Movement
- Understand and Apply the 2013 IRS Fixed Asset Capitalization Rules
- Understand the Issues Pertaining to Recording Expensed Items in the Fixed Asset Database

### ***Fixed Asset Software***

- Search for Good Software Vendors on the Internet
- Understand the Pros and Cons of Software That Your Fellow Students Are Using
- List the Principal Technical and Vendor Requirements for New Fixed Asset Software
- Draft a Request for Proposal for New Fixed Asset Software
- Understand and Follow the Steps for Managing the Installation of New Fixed Asset Software

### ***Taking a Fixed Asset Inventory and Inventory Reconciliation***

- Plan to Take a Fixed Asset Inventory
- Produce a Fixed Asset Inventory Plan
- Make the Critical Decisions About Tagging, Barcoding, and Taking Pictures of Assets
- Select the Inventory-Taking Team
- Manage the Actual Taking of the Inventory
- Reconcile the Inventory Results to the Fixed Asset Database

### ***Construction-in-Process (CIP) Management and Control***

- Explain the Difference Between Regular Fixed Asset Management and CIP Management
- List the Basic Tasks of CIP Management
- Understand the Special Software Used for CIP Management
- Craft a CIP Coding Structure
- Transfer CIP Information to the Fixed Asset Database
- List the Basic Tasks of CIP Management