

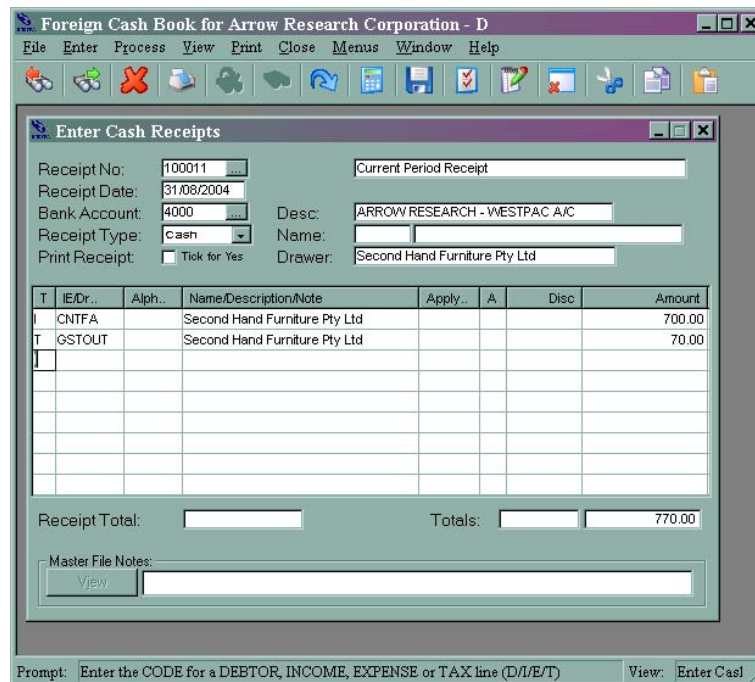
The suggested procedures for selling an asset are listed below:

When you sell an asset, you must firstly record the amount you received for the asset through the cashbook. Remember to split the receipt between the GST amount and the ex tax amount, if appropriate. Then you need to record the sale and calculate any profit/loss on sale or amount to reduce the pool amount by, if you are using pooled assets.

EXAMPLE:

Subsidiary Ledgers

In this example, we are selling the General Manager's desk. We have received \$770.00 for it from a second hand furniture place. The \$700 is the amount for the desk and the \$70 is GST. Shown below is the cash receipt. **NOTE:** you should key the amount to the Fixed Asset Clearing Account that is nominated in your General Ledger Key account parameters. In this case, the code CNTFA is linked to the Fixed Asset Control Account.



T	IE/Dr.	Alph.	Name/Description/Note	Apply.	A	Disc	Amount
			CNTFA				700.00
			Second Hand Furniture Pty Ltd				
			T GSTOUT				70.00
			Second Hand Furniture Pty Ltd				

Receipt Total: 770.00 Totals: 770.00

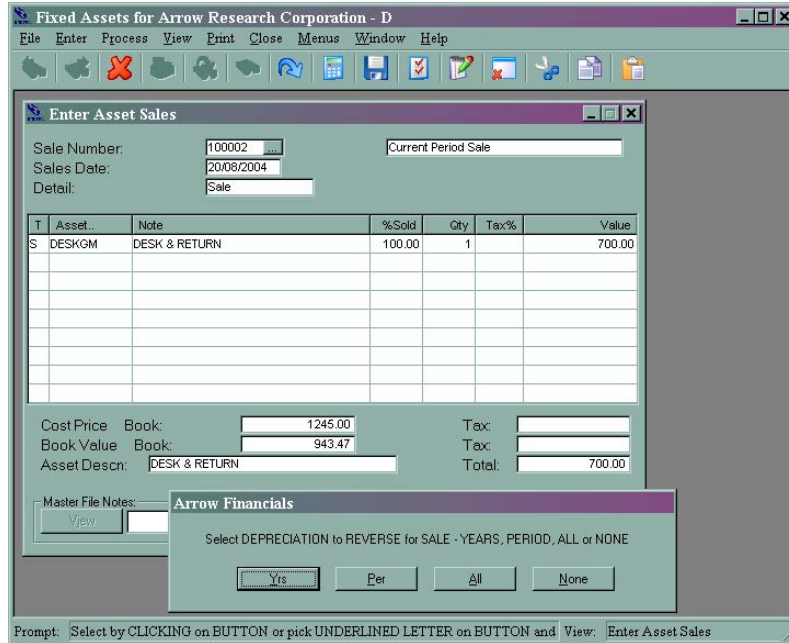
Next, you need to record the sale in the Fixed Assets Module. Choose **Enter**, then **Enter Sales**, in the Fixed Asset module. You need to ensure that you use the correct date of sale to process the entry. This is important if you choose to calculate depreciation on a daily basis and wish to calculate depreciation up to the date of sale.

Enter the lines to sell the asset. If you have the module option set to allow individual reversal on sale, then Arrow will ask what you want to do with the depreciation for the

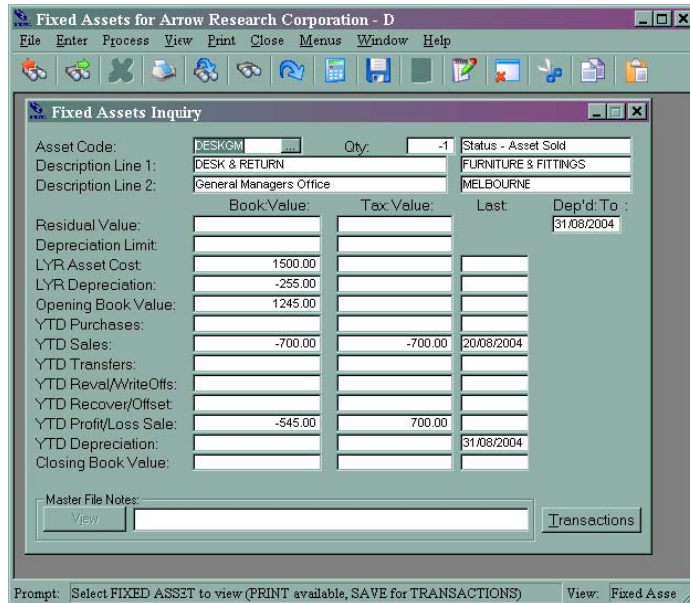
current year. If you wish to calculate depreciation up unto the date of the sale, then choose Years.

DO NOT KEY IN A TAX % IF YOU HAVE PROCESSED THE CASH RECEIPT WITH A SEPARATE GST AMOUNT.

Keying a tax % will cause Arrow to divide the amount you key in by 11 to calculate a GST component. If you have already done this in the cash book entry, you will be reporting the GST twice.



Once you have keyed the sale entry, you can go immediately to the view option to see the resulting profit/loss on sale of this item. You do not have to calculate depreciation to see this. If it is incorrect, simply edit the sale entry to correct it.



General Ledger

