How to depreciate an asset using production plan/UO method

The Fixed Asset Production plan function is used when the asset depreciation is based on carrying out operation units (OPEs).
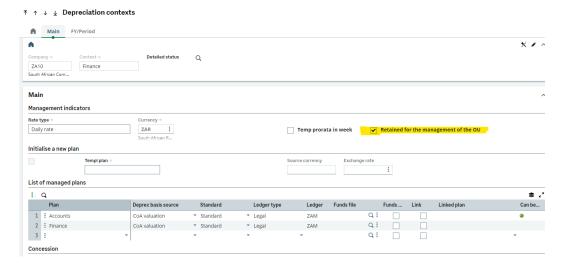
When the depreciation plan of an asset is based on the OPE - Operation units method, this asset must be attached to a production plan.

This plan is used to:

- specify the total number of OPEs necessary for the depreciation of the asset(s) attached to it,
- distribute the projected achievement of these OPEs by period and by Fiscal Year, according to the period and fiscal year breakdown defined for the context retained for OPE management of the company,
- enter, for the current period, the number of OPEs actually achieved; this information usually comes from Manufacturing and can be subject to an import.

Let us look at the setup.

1. Navigate to Setup/ Fixed Assets/ Depreciation Context (GESCNX), tick the box Retained for the management of OU

This check box is used to specify that the context is a basis for the production plannings of the company, as they are used to manage the asset depreciation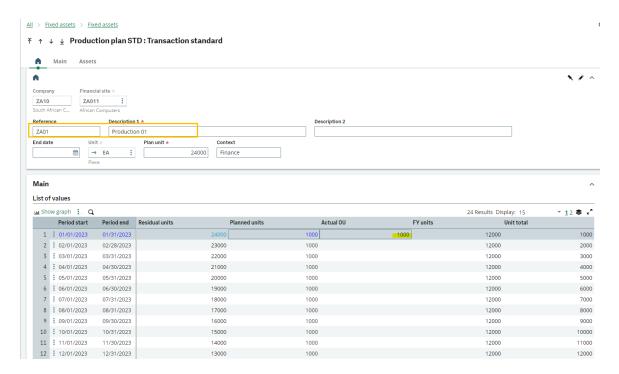 according to the OPE - Operation unit method. **Only one context can be selected for the management of the OPEs in a company.**

2. Navigate to Fixed Assets / Fixed Assets / Production Plan (GESPLP
   Create a production plan for the assets(s).

This main tab presents the production plan table, each line corresponding to a period of the context retained for the OPE management.
After creation, the first line is automatically loaded with the current period of the current fiscal year and the last line with the period in which the plan production end date is scheduled or, if no date is specified, with the last period defined in the context period table.

In the example below the total units for this plan is 24 000 over 24 months.
The planned units are 1000 per period and the actual operation units are 1000.

⊤ ↑ ↓ ↧ **Production plan STD : Transaction standard**

🏠 Main Assets

🏠

Company	Financial site ⚹		
ZA10	ZA011 ⋮		
South African C...	African Computers		

Reference	Description 1 ⚹		Description 2
ZA01	Production 01		

End date	Unit ⚹	Plan unit ⚹	Context
🗓	→ EA ⋮	24000	Finance
	Piece		

Main ∧

List of values

📊 Show graph ⋮ 🔍   24 Results Display: 15   ▾ 1 2 ⬥ ⤢

	Period start	Period end	Residual units	Planned units	Actual OU	FY units	Unit total
1 ⋮	01/01/2023	01/31/2023		24000	1000	1000	12000	1000
2 ⋮	02/01/2023	02/28/2023		23000	1000		12000	2000
3 ⋮	03/01/2023	03/31/2023		22000	1000		12000	3000
4 ⋮	04/01/2023	04/30/2023		21000	1000		12000	4000
5 ⋮	05/01/2023	05/31/2023		20000	1000		12000	5000
6 ⋮	06/01/2023	06/30/2023		19000	1000		12000	6000
7 ⋮	07/01/2023	07/31/2023		18000	1000		12000	7000
8 ⋮	08/01/2023	08/31/2023		17000	1000		12000	8000
9 ⋮	09/01/2023	09/30/2023		16000	1000		12000	9000
10 ⋮	10/01/2023	10/31/2023		15000	1000		12000	10000
11 ⋮	11/01/2023	11/30/2023		14000	1000		12000	11000
12 ⋮	12/01/2023	12/31/2023		13000	1000		12000	12000

Note:

- Entering the number of planned OPEs is authorized only on the production plan lines which corresponds to non-closed periods.
- Entering the number of completed OPEs is authorized only on the production plan line which corresponds to the current period.
- The OPE total for the fiscal year and the period end total cannot be modified. They are calculated based on completed OPEs, or by default, the planned OPEs.
- The number of Residual OPEs is automatically calculated based on the total number of OPEs of the production plan as well as the number of completed OPEs or, if there are no completed OPEs, planned OPEs.

The assets tab will list all the assets linked to the production plan.

3. Navigate to Fixed Assets / Fixed Assets/ Assets (GESFAS)
   Create an asset,
   Ensure that the asset is linked to a production plan and the depreciation method for this asset will is UO.

↑ ↑ ↓ ↓ **Assets STD : Transaction standard**

Capitalize   Undo   Calculate

| Main | Allocations | Depreciation | Tax | Receipt/disposal | Concession | Other info | Revaluations |

Company
ZA10
South African C...

Financial site ∗
ZA011   🔍 ⋮   ✔ Active
African Computers

Events

Reference

Description 1 ∗
Asset 001

Description 2

Main ⌄

Allocations ⌄

Depreciation ⌄

Depreciation plans

	Plan	Method		Duration	Rate	Accel. co...	Prorata	Depre st	Depre end	Balance sht. val.	Resid. value	Deprec. total
1	⋮ Accounts	UO	🔍⋮	2.000	0.000000	0.000000		01/01/2023 📅	📅⋮	24,000.00		
2	⋮ Finance	UO	🔍⋮	2.000	0.000000	0.000000		01/01/2023 📅	📅⋮	24,000.00		
3	⋮		🔍⋮		⋮	⋮		⌄	📅	📅⋮		

Now check the plan simulation for the first period.

Notice that the charge is calculated as per the actual units on the production plan.

The asset is depreciated using the UO depreciation method based on the actual units for the period.

↑ ↑ ↓ ↓ **Depreciation plan simulation**

🏠 Simulation

Company
ZA10
South African C...

Reference
ZA0112402FAS000001
Asset 001

Description
Asset 001

Detail

FY/Period
○ Financial year
● Period
○ Period total

Depreciation plan

Context ∗
Finance ⌄

Plan ∗
Accounts ⌄   ☐ Second plan ?

Context ○

Plan ○

Simulation

Show graph ⋮ 🔍

24 Results Display: 20

	Fiscal year	Period	Basis	Total	Charge	Except charge	Deprec. balance	Impairment	Recovery	Net value	Basis	Total
1	⋮ 12/31/2023	01/31/2023	24,000.00		1,000.00					23,000.00		
2	⋮ 12/31/2023	02/28/2023	24,000.00	1,000.00	1,000.00					22,000.00		
3	⋮ 12/31/2023	03/31/2023	24,000.00	2,000.00	1,000.00					21,000.00		
4	⋮ 12/31/2023	04/30/2023	24,000.00	3,000.00	1,000.00					20,000.00		
5	⋮ 12/31/2023	05/31/2023	24,000.00	4,000.00	1,000.00					19,000.00		
6	⋮ 12/31/2023	06/30/2023	24,000.00	5,000.00	1,000.00					18,000.00		
7	⋮ 12/31/2023	07/31/2023	24,000.00	6,000.00	1,000.00					17,000.00		
8	⋮ 12/31/2023	08/31/2023	24,000.00	7,000.00	1,000.00					16,000.00		
9	⋮ 12/31/2023	09/30/2023	24,000.00	8,000.00	1,000.00					15,000.00		
10	⋮ 12/31/2023	10/31/2023	24,000.00	9,000.00	1,000.00					14,000.00		
11	⋮ 12/31/2023	11/30/2023	24,000.00	10,000.00	1,000.00					13,000.00		
12	⋮ 12/31/2023	12/31/2023	24,000.00	11,000.00	1,000.00					12,000.00		

In the below example, the actual units on the production plan is 500 units

⊤ ↑ ↓ ↧ Production plan STD : Transaction standard

🏠 **Main** | Assets

🏠   ✕ ✎ ∧

Company   Financial site ›

| ZA10 | ZA011   ⋮ |
| South African C... | African Computers |

Reference   Description 1 ∗   Description 2

| ZA01 | Production 01 | | |

End date   Unit ›   Plan unit ∗   Context

| 📅 | → EA   ⋮ | 24000 | Finance |
| | Piece | | |

List of values

📊 Show graph   ⋮   🔍   24 Results Display: 15   ▾ 1 2 ☰ ⤢

	Period start	Period end	Residual units	Planned units	Actual OU	FY units	Unit total
1	⋮ 01/01/2023	01/31/2023		24000	1000	500	11500	500
2	⋮ 02/01/2023	02/28/2023		23500	1000		11500	1500
3	⋮ 03/01/2023	03/31/2023		22500	1000		11500	2500
4	⋮ 04/01/2023	04/30/2023		21500	1000		11500	3500
5	⋮ 05/01/2023	05/31/2023		20500	1000		11500	4500
6	⋮ 06/01/2023	06/30/2023		19500	1000		11500	5500
7	⋮ 07/01/2023	07/31/2023		18500	1000		11500	6500
8	⋮ 08/01/2023	08/31/2023		17500	1000		11500	7500
9	⋮ 09/01/2023	09/30/2023		16500	1000		11500	8500
10	⋮ 10/01/2023	10/31/2023		15500	1000		11500	9500
11	⋮ 11/01/2023	11/30/2023		14500	1000		11500	10500
12	⋮ 12/01/2023	12/31/2023		13500	1000		11500	11500
13	⋮ 01/01/2024	01/31/2024		12500	1000		12000	12500
14	⋮ 02/01/2024	02/29/2024		11500	1000		12000	13500
15	⋮ 03/01/2024	03/31/2024		10500	1000		12000	14500

Now the depreciation charge on planned simulation has changed as per the actual units on the production plan.

⊤ ↑ ↓ ↧ Depreciation plan simulation

🏠   Simulation

🏠

Company   Reference   Description   **Detail**

| ZA10 | ZA0112402FA5000001 | Asset 001 | |
| South African C... | Asset 001 | | |

FY/Period
○ Financial year
● Period
○ Period total

Depreciation plan

Context ∗   Plan ∗

| Finance ▾ | Accounts ▾ | ☐ Second plan ? |
Context ›   Plan ›

Simulation

📊 Show graph   ⋮   🔍

	Fiscal year	Period	Basis	Total	Charge	Except charge	Deprec. balance	Impairment	Recovery	Net value	Basi
1	⋮ 12/31/2023	01/31/2023	24,000.00		510.64					23,489.36	
2	⋮ 12/31/2023	02/28/2023	24,000.00	510.64	1,021.27					22,468.09	
3	⋮ 12/31/2023	03/31/2023	24,000.00	1,531.91	1,021.28					21,446.81	
4	⋮ 12/31/2023	04/30/2023	24,000.00	2,553.19	1,021.28					20,425.53	
5	⋮ 12/31/2023	05/31/2023	24,000.00	3,574.47	1,021.27					19,404.26	
6	⋮ 12/31/2023	06/30/2023	24,000.00	4,595.74	1,021.28					18,382.98	
7	⋮ 12/31/2023	07/31/2023	24,000.00	5,617.02	1,021.28					17,361.70	
8	⋮ 12/31/2023	08/31/2023	24,000.00	6,638.30	1,021.27					16,340.43	
9	⋮ 12/31/2023	09/30/2023	24,000.00	7,659.57	1,021.28					15,319.15	
10	⋮ 12/31/2023	10/31/2023	24,000.00	8,680.85	1,021.28					14,297.87	
11	⋮ 12/31/2023	11/30/2023	24,000.00	9,702.13	1,021.27					13,276.60	