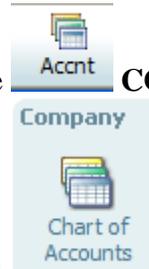


## CHAPTER DEPRECIATION CALCULATION

As is standard practice for the Women of the Moose, chapter paraphernalia must be depreciated at the end of the chapter year. This will be done on or after April 30<sup>th</sup> and prior to transmitting the monthly reports for the end of the chapter year which will be due by May 10<sup>th</sup>. You will use the following procedure in QuickBooks (QBs) to adjust the paraphernalia balance to show that it has been depreciated to its actual book value.

Go to your **Chart of Accounts (COA)** in QBs by selecting the **COA Icon** on the



QBs main menu. The **COA** can also be found by selecting the **COA Icon** from the **QBs Home Page**.

Next review the existing balance of your **“Paraphernalia Depreciated”** account which in this example is 1810.00 and the **“Accumulated Depreciation”** which in this example is 1815.00.

◆ 1800.00 · Furniture and Equipment	Fixed Asset	3,290.00
◆ 1805.00 · New Paraphernalia Purchased	Fixed Asset	140.00
◆ 1810.00 · Paraphernalia Depreciated	Fixed Asset	3,500.00
◆ 1815.00 · Accumulated Depreciation	Fixed Asset	-350.00

**New paraphernalia purchased should not be depreciated until the next chapter year so any balance in this account is not depreciated.**

**NOTE:** If you did not follow the recommended procedures for setting up the paraphernalia accounts in QBs, try to locate the account where you entered your initial paraphernalia balance. If you do not know contact a Moose Technical Trainer!

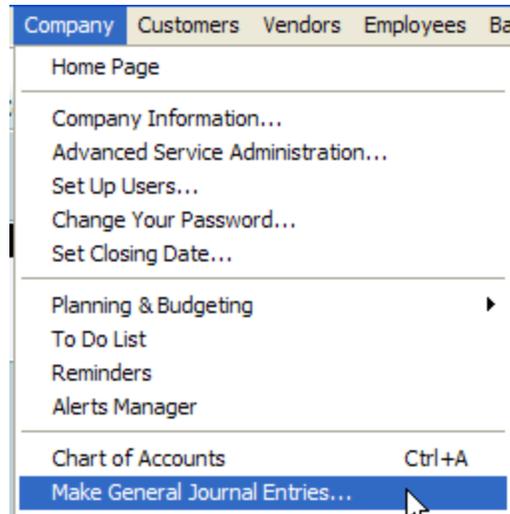
Calculate the 10% amount that will need to be decreased from your **“Paraphernalia Depreciated”** account (in this example it is 1810.00) by multiplying 10% by the total showing in 1810.00 less the amount showing as having already been depreciated in a previous year which in this example is being shown in account 1815.00. In this example we would take \$3,150.00 (\$3,500.00 in account 1810.00 minus \$350.00 in account 1815.00) and multiply it by 10%, which would give us a figure of \$315.00.

If you followed the recommended **COA** structure requested you should already have an account in the 5400.00 area of your **COA** that is entitled **“Depreciation Expense”**. You will need to change its number to **5499.00** so that all chapters have the same number for the depreciation expense. The possibility also exists that you may have it set up somewhere else or not at all. If you have it set up somewhere else, **“Edit”** the account and change it to **5499.00** and make sure it is a sub-account of 5400.00. If you do not

have an account with this title, set it up as “**New**” and make sure you have it as a sub-account of 5400.00.

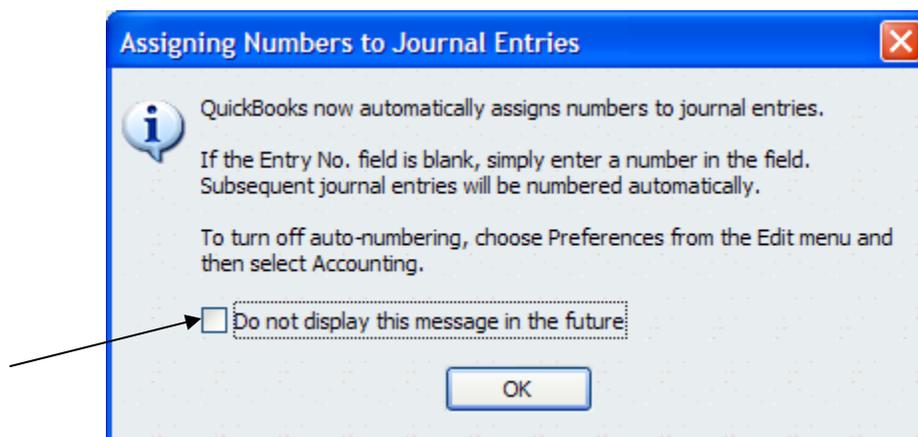
We are now going to do a journal entry to decrease the paraphernalia amount and show it as an expense. The result will be that we will decrease the value of our paraphernalia to show its new true book value.

Go to the top of your **QBs** Company screen and select “**Company**”, “**Make General Journal Entries....**”.

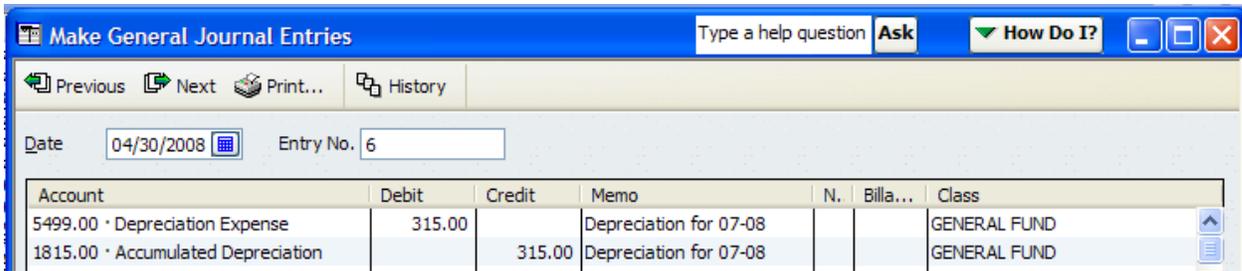


This will take you to the “**Make General Journal Entries**” screen where you will enter the journal entry.

**NOTE:** You may encounter the following message when trying to enter the “**Make General Journal Entries**” screen. Put a checkmark in the box next to “**Do not display this message in the future**” and click “**OK**”.

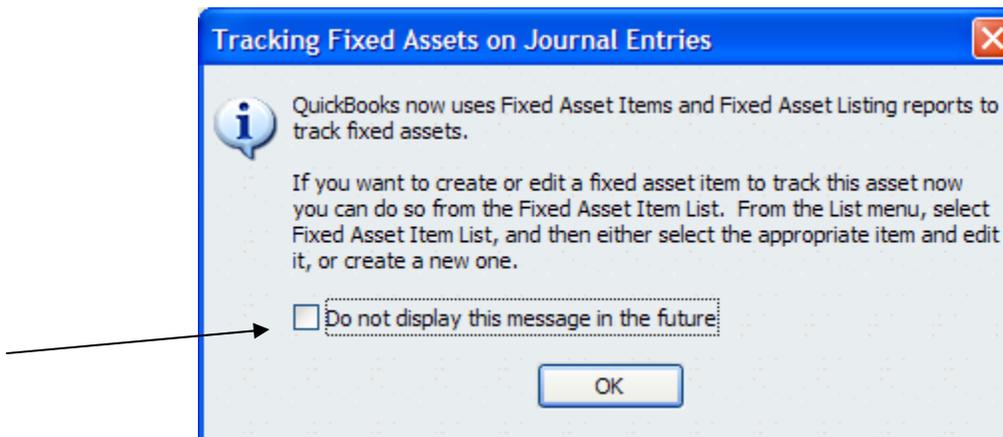


Use a date of April 30<sup>th</sup> for the journal entry.



Enter the depreciation expense as a **Debit** for the amount you calculated above as your depreciation expense and enter the “**Accumulated Depreciation**” amount as a credit to the “**Accumulated Depreciation**” account which in this example is account 1815.00. Click “**Save & Close**”.

You may encounter the following message when trying to save the transaction. If you do enter a checkmark in the box next to “**Do not display this message in the future**” and click “**OK**”.



**NOTE:** It is possible that you have established your paraphernalia accounts with a different number or structure so be sure that you post it to the account where you initially entered your paraphernalia balance when you started working in QBs. Or contact a Moose Technical Trainer to make changes to your **COA** to reflect the proper account structure.

1800.00 · Furniture and Equipment	Fixed Asset	3,150.00
1805.00 · Chapter Paraphernalia	Fixed Asset	3,500.00
1810.00 · Accumulated Depreciation	Fixed Asset	-350.00

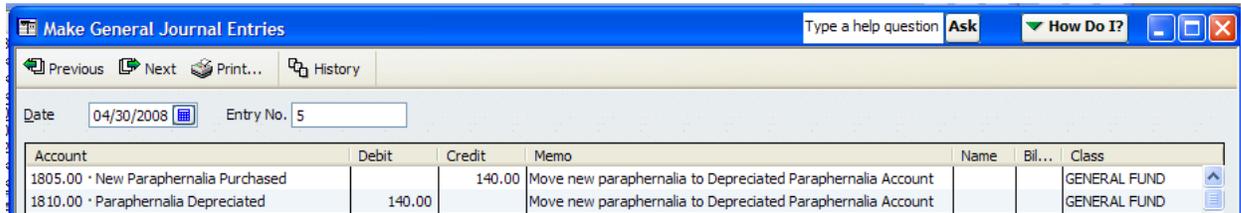
Notice that the 1800.00 now reflects the new total value of the Chapter’s Paraphernalia.

1800.00 · Furniture and Equipment	Fixed Asset	2,975.00
1805.00 · New Paraphernalia Purchased	Fixed Asset	140.00
1810.00 · Paraphernalia Depreciated	Fixed Asset	3,500.00
1815.00 · Accumulated Depreciation	Fixed Asset	-665.00

**NOTE:** If you followed the recommended **COA** you may have separated your depreciated paraphernalia from new paraphernalia by creating separate accounts. Do not

worry about the fact that there are separate accounts. The new paraphernalia will need to be moved to “**Paraphernalia Depreciated**” at year-end. Another journal entry should be performed to move the “**New Paraphernalia Purchased**” to the “**Paraphernalia Depreciated**” account. The following example is provided.

Go to the “**Make General Journal Entries**” screen by following the instructions provided above.



This will move the new paraphernalia purchased during the year to the “**Paraphernalia Depreciated**” account.

Some chapters may not have an “**Accumulated Depreciation**” account or a “**New Paraphernalia Purchased**” account. If your COA reflects a single account for the chapter’s paraphernalia double click on it to see if any adjustments have been made to the account since it was first established. If no adjustments have been made to the initial balance in paraphernalia, contact a Moose Technical Trainer for assistance. They will be happy to assist you with making the proper journal entry for your chapter’s depreciation expense for the chapter year.