

## FIXED ASSET GUIDELINES

### INTRODUCTION

Businesses all over the world use several different types of equipment to carry out key business tasks. So, with so many employees and a vast inventory base in play, firms need to have control utilization and for that we need to have proper asset management.

There is no room for error when you need a precise picture of your company's physical assets. Knowing exactly what assets you currently have, where these assets are located and how these assets are changing over time, it allows a company to keep track of details of each fixed asset, ensuring control and preventing misappropriation of assets

### FIXED ASSET MANAGEMENT

Fixed assets management is an accounting process that seeks to track fixed assets for the purposes of financial accounting, preventive maintenance, and theft deterrence.

Organizations face a significant challenge to track the location, quantity, condition, maintenance and depreciation status of their fixed assets. A popular approach to tracking fixed assets uses serial numbered asset tags, which are labels often with bar codes for easy and accurate reading.

Asset tags are one of several tools needed for a successful asset management system. Asset tags are usually printed labels and are placed on assets to improve how they are tracked. These labels usually contain a barcode and equipment ID number, as well as the company name and logo.

Used with asset management software and barcode scanners, you can gather, organize, and maintain a large amount of information about assets. In turn, this information enables you to better manage how assets are acquired, used, maintained, and disposed.

### BENEFITS OF ASSET TAGS

- ✓ Simplifying tracking of assets
- ✓ Enabling comprehensive tracking of maintenance and downtime
- ✓ Enabling businesses to track costs
- ✓ Reducing costs associated with loss and theft of assets

Asset tagging can answer crucial inventory management questions such as:

- ✓ Where are our assets?
- ✓ Who uses our assets?
- ✓ How many assets do we have?

If the asset are not managed properly, then following irregularities can happen such as -

- ✓ No way of identifying assets easily and quickly.
- ✓ Lack of asset knowledge.
- ✓ Lack of standardization.
- ✓ Complicates spot audits, cycle and full inventories.
- ✓ No way of knowing if a machine has left the premises/organisation or been stolen.
- ✓ No way of tracking proper environmental disposal at end of life.