



Depreciation of Assets



The Depreciation of Assets tip sheet is intended for employees with the necessary finance security roles (i.e. asset accountants).

Depreciation

Depreciation of assets refers to the process of recording expenses for fixed assets over their estimated useful life. It reflects the asset’s gradual loss of value due to wear and tear, obsolescence, or passage of time.

Note: The frequency for recording depreciation varies by college. Please refer to the table below for the specific timing applicable to your college.

College Specific Considerations

CCC	Annually
CNM	Monthly
LCC	TBD
NNMC	Annually
SFCC	Annually
SJC	Annually

Preparing to Record Depreciation

Before executing the depreciation, follow the steps outlined below to verify that all assets are accurately reflected and captured.

- Ensure all fixed assets are registered by running the **Asset to Ledger Reconciliation Report** in Workday.
 - If any discrepancies arise, ensure all journal entries for assets are accurately recorded and generate the **Trial Balance Report**.

Recording Depreciation

1. Begin by navigating to the search bar in your Workday profile.
2. From the search bar, type **Record Depreciation Amortization Expense**.
3. Select the **Record Depreciation Amortization Expense** task.
4. Ensure that the Run Frequency is set to **Run Now** > Select **OK**. The task is presented for creation.
5. In the **Request Name** field, type the title to be displayed for the request (**example:** February Depreciation).

6. In the **Company** drop-down menu, choose the company or department associated with the task.
7. In the **Asset Book** field, select the primary accounting book.
8. In the **Posting Date** field, enter the date you wish depreciation to post.
9. In the **Memo** field, type any relevant message to be associated with the request, such as its title or additional details.
10. In the Preview section, ensure that the **Run Preview** option is selected.
11. In the **Depreciation Expense Details** (preview) section, review the information provided for accuracy, and if necessary, compare it with the previous report for verification.
12. Once all required fields have been completed, select **OK** to run the process. The finalized summary appears at the bottom of the screen.
13. Select **Refresh** to update and display the completed task.

Following the Depreciation Task

After the depreciation task has been successfully recorded, document the completed posting using methods such as screenshots to share with relevant departments or stakeholders.

Accessing Depreciation Expense Data

If it becomes necessary to review the posted depreciation, generate a trial balance, review the accumulated depreciation account, and verify the journal entries.