

Recording Asset Purchases & Finance Repayment

In this Help Note:

- Entering a basic asset purchase transaction
- Entering an Asset Purchase with Finance (using Asset and Liability Accounts)
- Entering an Asset Purchase with Finance using a Trade in
- Entering an Asset Purchase with Finance, Trade-In and a Deposit
- Enter the Finance Repayment

Article #	: FIN_7005
Last Revision	: 8 th January 2015
Revision	: 4.00
PX Version	: 7.8.0

SUMMARY

This Help Note is to aid users in the recording of asset purchases where the GST is claimed up front, as well as recording the finance repayments for the asset purchase. If you are unsure of your eligibility to claim GST up front please contact your accountant.

Entering a basic asset purchase transaction

Summary

This example shows how to enter an asset purchase into your cashbook where the full amount is paid from the bank account.

Instructions

1. Have your Phoenix program open at the enter transaction screen with the account you are making the purchase from selected and the correct period.

#NB Make sure to have the appropriate categories setup before attempting the entry e.g. Asset Purchases

2. Click on the **New** transaction button and fill in the details for **Type, Reference, Date, Pay to & Amount** of the transaction.
3. Enter the dissection line using an expense category for **asset purchases**.

#NB Ensure the correct GST rate is set for capital acquisitions. Please consult your accountant for further advice on the GST rate.

#NB If you are using Asset accounts, you could link the transaction to the appropriate Asset account.

The screenshot shows the 'Transaction Entry' window in Phoenix. At the top, there are dropdown menus for 'Account', 'Period', 'List', and 'Search'. The main area is titled 'Rabo All In One Account' and shows a 'Balance' of -\$5,328,100.92. Below this, there are fields for 'Transaction 50003' and 'May 2013'. The transaction details are as follows:

Type	Reference	Date	Pay to	Amount
Withdrawal		23/05/2013	Riley's Auto	\$580,000.00

Below the transaction details is a table for dissection lines:

	Cat/Ac	Sub	Ent	Comment	Note	Qty	\$ Amount-gross	Refund	Rate	\$ GST	% Clm
1	Exp	26	A	3M	Purchase of New Header		580,000.00		4	52,727.27	100.00

**Please note that the GST rates specified in this document are in no way to be treated as financial advice. AGDATA recommends you consult with your accountant regarding which GST rates to use.*

Entering an Asset Purchase with Finance

Summary

This example shows how to enter an asset purchase into your cashbook when the finance company has paid the supplier directly for the full cost of the asset and also linking to asset & liability accounts to adjust your net worth.

Instructions

1. Have your Phoenix program open at the enter transaction screen with the account you are making the purchase from selected and the correct period.

#NB Make sure the appropriate categories as well as asset & liability accounts are setup before attempting the entry e.g. Categories: Asset Purchase & Loan Proceeds & Asset & Liability accounts: New header asset & New finance for the header liability.

2. Click on the **New** transaction button and fill in the details for **Type, Reference, Date, Pay to & Amount** of the transaction.
3. Your first dissection line will use an **asset purchase** expense category as in the first example but this time you will link it to the new **asset account/sub-account**. The amount gross will be the purchase price of the asset.

#NB Ensure the correct GST rate is set for capital acquisitions. Please consult your accountant for further advice on the GST rate.

4. The second dissection line will be for the finance component. This example uses a **Loan Proceeds** income category to enter the principal amount of the loan and is linked to the appropriate **liability account/sub-account**.

#NB The purchase price may include amounts which do not include GST. These should be recorded as spate dissections with an appropriate GST rate. Verify the GST on the Tax Invoice from the supplier.

#NB If you do not have asset or liability accounts setup please ignore the links.

Account Period List Search
Transaction Entry

New: May'13 Edit Save Cancel Close
Withdrawal

Rabo All In One Account Balance

Transaction 50004 May 2013 -\$5,328,100.92

Type	Reference	Date	Pay to	Amount
Withdrawal		23/05/2013	Riley's Auto	\$0.00

	Cat/Ac	Sub	Ent	Comment	Note	Qty	\$ Amount-gross	Refund	Rate	\$ GST	% Clm
1	Exp	26	A	3M Asset Purchase of New Header - Linked to Asset A/c			580,000.00		4	52,727.27	100.00
2	Inc	13	A	- Liab Purchase of New Header - Linked to Liability A/c			-580,000.00		0	0.00	100.00

Cat 26 Asset Purchases	Total	\$0.00	Total Tax ▼
Sub A Asset Purchase			\$52,727.27
Ent 3M Capital			

2012-06-Rabo-PB-pbw.nx1

**Please Note that the GST rates specified in this document are in no way to be treated as financial advice. AGDATA recommends you consult with your accountant regarding which GST rates to use.*

Entering an Asset Purchase with Finance and a Trade in

Summary

This example shows how to enter the asset purchase, the trade-in of the old asset and the balance financed into your cashbook. The asset purchase and trade-in (sale) have both been linked to the asset & liability accounts and your net worth.

Instructions

1. Have your Phoenix program open at the enter transaction screen with the account you are making the purchase from selected and the correct period.

#NB Make sure the appropriate categories (e.g. Asset Purchases, Asset Sales & Loan Proceeds) setup as well as asset & liability accounts (New Header Asset A/c & New Header Finance Liability A/c) before attempting the entry.

2. Click on the **New** transaction button and fill in the details for **Type, Reference, Date, Pay to & Amount** of the transaction.
3. Enter your first dissection line using an **asset purchase** expense category and link it to the **asset account/sub-account** you have created. The amount gross will be the purchase price of the asset.

#NB Ensure the correct GST rate is set for capital acquisitions. Please consult your accountant for further advice on the GST rate.

4. The second dissection line will use an **asset sale** income category and will be linked to the appropriate **asset account/sub-account**. The amount for this line is the amount received for the **trade in**. If you do not have the vehicle you are trading tracked through an Asset account then do not link this section.

5. The Third dissection line will be for the finance component. This example uses a **Loan Proceeds** income category to enter the principal amount of the loan and is linked to the appropriate **liability account/sub-account**.

#NB The purchase price may include amounts which do not include GST. These should be recorded as spate dissections with an appropriate GST rate. Verify the GST on the Tax Invoice from the supplier.

#NB If you do not have asset or liability accounts setup please ignore the links.

Transaction Entry

Account Period List Search

New: May'13 Edit Save Cancel Close

Rabo All in One Account Balance

New transaction... May 2013 -\$5,328,100.92

Type Reference Date Pay to Amount

Withdrawal Riley's Auto 23/05/2013 \$0.00

	Cat/Ac	Sub	Ent	Comment	Note	Qty	\$ Amount-gross	Refund	Rate	\$ GST	% Clm
1	Exp	26	A	3M	Asset	Purchase of New Header - Linked to Asset A/c	580,000.00	<input type="checkbox"/>	4	52,727.27	100.00
2	Inc	14	A	3M	Asset	Trade in of Old Header - Linked to Asset A/c	-150,000.00	<input type="checkbox"/>	1	(13,636.36)	100.00
3	Inc	13	A	-	Liab	Balance of Header was Financed - Linked to Liability A/c	-430,000.00	<input type="checkbox"/>	0	0.00	100.00

Cat 13 Loan Proceeds Total \$0.00 Total Tax \$39,090.91

Sub A Loan Proceeds Remainder \$0.00

2012-06-Rabo-PB-pbw.nx1

**Please Note that the GST rates specified in this document are in no way to be treated as financial advice. AGDATA recommends you consult with your accountant regarding which GST rates to use.*

Entering an Asset Purchase with Finance, Trade-in and a Deposit

Summary

This example shows how enter the asset purchase, the trade-in of the old asset, a deposit into your cashbook while balancing it using balance financed. The asset purchase and trade-in (sale) have both been linked to adjust your asset & liability accounts/sub-accounts and your net worth.

Instructions

1. Have your Phoenix program open at the enter transaction screen with the account you are making the purchase from selected and the correct period.

#NB Make sure the appropriate categories (e.g. Asset Purchases, Asset Sales & Loan Proceeds) setup as well as asset & liability accounts (New Header Asset A/c & New Header Finance Liability A/c) before attempting the entry.

2. Click on the **New** transaction button and fill in the details for **Type, Reference, Date, Pay to & Amount** of the transaction.

3. Enter your first dissection line using an **asset purchase** expense category and link it to the **asset account/sub-account** you have created. The amount gross will be the purchase price of the asset.

#NB Ensure the correct GST rate is set for capital acquisitions. Please consult your accountant for further advice on the GST rate.

4. The second dissection line will use an **asset sale** income category and will be linked to the appropriate **asset account**. The amount for this line is the amount received for the **trade in**. If you do not have the item you are trading tracked through an Asset account then do not link this dissection.

5. The Third dissection line will be for the finance component. This uses a **Loan Proceeds** income category to the principal amount of the loan and is linked to the appropriate **liability account/sub-account**.

#NB The purchase price may include amounts which do not include GST. These should be recorded as spate dissections with an appropriate GST rate. Verify the GST on the Tax Invoice from the supplier.

#NB If you do not have asset or liability accounts setup please ignore the links

Account										Period		List		Search		Transaction Entry			
New: May'13										Edit		Save		Cancel		Close		Withdrawal	
Rabo All In One Account										New transaction...		May 2013		Balance		-\$5,328,100.92			
Type	Reference	Date	Pay to	Amount															
Withdrawal		23/05/2013	Riley's Auto	\$30,000.00															
Cat/Ac	Sub	Ent	Ent	Comment	Note	Qty	\$ Amount-gross	Refund	Rate	\$ GST	% Clm								
1 Exp	26 A	3M	3M	Asset Purchase of New Header - Linked to Asset A/c			580,000.00	<input type="checkbox"/>	4	52,727.27	100.00								
2 Inc	14 A	3M	3M	Asset Trade in of Old Header - Linked to Asset A/c			-150,000.00	<input type="checkbox"/>	1	(13,636.36)	100.00								
3 Inc	13 A	-	-	Liab Balance of Header was Financed - Linked to Liability A/c			-400,000.00	<input type="checkbox"/>	0	0.00	100.00								
Cat 14 Asset Sales							Total	\$30,000.00	Total Tax										
Sub A Plant & Equipment							Remainder	\$0.00	\$39,090.91										
Ent 3M Capital							2012-06-Rabo-P8-pbw.nx1												

**Please Note that the GST rates specified in this document are in no way to be treated as financial advice. AGDATA recommends you consult with your accountant regarding which GST rates to use*

Entering a Finance Repayment

Summary

This example shows how to enter the loan repayment in your cashbook. The payment is dissected into the principal and interest amounts. The principal has been linked to the liability account to reduce the balance owing.

Instructions

1. Have your Phoenix program open at the enter transaction screen with the account you are making the payment from selected and the correct period.

#NB Make sure to have the appropriate categories as well as asset & liability accounts/sub-accounts setup before attempting the entry e.g. Loan Repayments & Interest.

2. Click on the **New** transaction button and fill in the details for **Type, Reference, Date, Pay to & Amount** of the transaction.

3. Enter your first dissection line for the **Principal** amount of the repayment. Use a **Loan Repayments** expense category linked to the **Liability account/sub-account** you have created.

#NB Ensure the GST rate is set to 2 for no GST in price. Please consult your accountant for further advice on the GST rate.

4. The second dissection line is for the **Interest** amount of the repayment. Use an **Interest** expense category which is NOT linked to any asset or liability account.

#NB The interest is not linked to the asset or liability account as it is not included in the finance amount. The finance amount is only the principal of your repayment and should be linked to decrease the liability finance amount.

	Cat/Ac	Sub	Ent	GD	Comment	Note	Qty	\$ Amount-gross	Refund	Rate	\$ GST	% Clm
1	Exp	40	A	-	Liab			40,418.97	0	0.00	100.00	
2	Exp	38	A	3C				45,240.00	2	0.00	100.00	

**Please Note that the GST rates specified in this document are in no way to be treated as financial advice. AGDATA recommends you consult with your accountant or financial advisor regarding which GST rates to use.*

Please note that comments contained in this document are developed from the experience of the team at AGDATA Australia. We are not qualified tax agents or financial advisors and therefore any information or comments offered are in no way intended to represent professional taxation or financial opinion. Clarification on such issues must always be obtained from an appropriate source such as the Business Activity Statement Instruction Booklet, the Australian Taxation Office or your accountant.