

3.2.3.2. Allocation of Depreciation Costs

The Allocation of depreciation cost is used to distribute depreciation expenses across multiple projects.

How to create

To access *Project Costs Allocation*, go to **Project costing** **Project Costing documents** **Project costs Allocations**

Main tab

This tab is used to enter basic information for depreciation cost allocation, i.e., date, document number, entity, and the basis document.

- **Transaction Type** - Select Allocation of Depreciation Costs first to enable the fields.
- **Basis** - *To assign depreciation costs to a project, it is mandatory to select the depreciation document in the Basis field.* Use **Fill by Basis** to copy data in other tabs or reset changes.
- **Comment** - Add any notes about the allocation.

All allocations are in the accounting currency.

The **"Use New Income & Expenses Reallocation Schema"** option refers to an updated internal method (schema) used by the system to manage cost allocation logic.

Note: This is a system-controlled setting and cannot be amended by users.

Allocation of Depreciation cost

This tab is available only for documents with the **Depreciation Cost Allocation** transaction type. It contains two tables: the **Depreciation Costs table** and the **Allocation results**.

Depreciation Costs table

Automatically populated based on the depreciation calculation document selected on the Main tab.

- **Cost Item** - The cost category of the fixed Asset.
- **Fixed Asset** - An asset that generates the depreciation expense, which is further used for allocation.
- **Expense Item** - The GL expense type to which this cost belongs.
- **Business Activity** - The type of business activity linked to the cost.
- **Department** - Department responsible for the asset or cost
- **Amount** - Depreciation value recorded in transaction currency
- **Amount (National Currency)** - Depreciation value converted into the base currency, i.e., national currency.

Project Costs Allocation (create) *

Post and close Save Post More actions - ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards Additional Information

Depreciation Costs

Allocate by Time Cards Search (Ctrl+F) More actions -

#	Cost Item	Fixed Asset	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
1	Property, Plant and Equipment	Kia K5 (DL3) Sedan 2019	Depreciation Costs	Main Activity	Main Department	1,216.67, J.S	1,216.67, J.S
2	Property, Plant and Equipment	Kia Optima 2017	Depreciation Costs		Main Department	616.67, J.S	616.67, J.S
3	Property, Plant and Equipment	Komatsu D85ESS-2A Crawler ...	Depreciation Costs		Main Department	2,770.68, J.S	2,770.68, J.S
4	Property, Plant and Equipment	HP OfficeJet Pro 9015 All-in-O...	Depreciation Costs		Main Department	13.00, J.S	13.00, J.S

Allocation Results

Displays the depreciation costs allocated to projects.

Once the basis is chosen and "Fill by Basis" is clicked, the system checks whether the asset is assigned to any active projects. If the asset is being used across multiple projects, its depreciation expense is distributed accordingly.

Project Costs Allocation (create) *

Post and close Save Post More actions - ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards Additional Information

Depreciation Costs

Allocate by Time Cards Search (Ctrl+F) More actions -

#	Cost Item	Fixed Asset	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
1	Concrete mixer	Tower Crane A	Depreciation Costs	Main Activity	Main Department	1,216.67, J.S	1,216.67, J.S
2	Concrete mixer	Komatsu D85ESS-2A Crawler ...	Depreciation Costs		Main Department	2,770.68, J.S	2,770.68, J.S
3	Concrete mixer	HP OfficeJet Pro 9015 All-in-On...	Depreciation Costs		Main Department	13.00, J.S	13.00, J.S
4	Concrete mixer	Generator	Depreciation Costs		Main Department	616.67, J.S	616.67, J.S

Allocation Results

Add Search (Ctrl+F) More actions -

Project	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
						Project	Project Task	Project WBS
KPK International - Wareh...		KPK International - W...	16.667	102.78, J.S	102.78, J.S			
Villa #115 - Al Hamra Villa...		Villa #115 - Al Hamra ...	16.667	102.78, J.S	102.78, J.S			
moon link #1231		moon link #1231	16.667	102.78, J.S	102.78, J.S			
DAMAC Towers by Para...		DAMAC Towers by P...	16.667	102.78, J.S	102.78, J.S			
Al Hamra Falcon Island - ...		Al Hamra Falcon Islan...	16.667	102.78, J.S	102.78, J.S			
Villa #351 - Dubai South		Villa #351 - Dubai South	16.665	102.77, J.S	102.77, J.S			
			100.000	616.67	616.67			

Update Budget

Alternatively, click the "Allocate by Time Card" button. The system will automatically distribute depreciation costs based on the time card data of the fixed asset, i.e., according to the usage hours recorded in the time cards. Only time cards that fall within the same period are considered for allocation.

- **Project** - Project receiving the allocated depreciation cost.
- **Project Task** - Specific task within the project where the depreciation cost is allocated.
- **Project WBS** - Work Breakdown Structure level used for detailed depreciation allocation.
- **Factor** - Percentage or weight used to distribute depreciation cost among projects.
- **Amount** - Depreciation cost allocated to the project in transaction currency.
- **Amount (National Currency)** - Allocated depreciation cost converted into the company's base currency.
- **Remaining Budget Amount** -
 1. **Project** - The remaining project budget after depreciation allocation.
 2. **Project Task** - Remaining task-level budget after depreciation allocation.
 3. **Project WBS** - Remaining WBS-level budget after depreciation allocation.

Project Costs Allocation (create) *

Post and close Save Post More actions ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards Additional Information

Depreciation Costs

Allocate by Time Cards Search (Ctrl+F) More actions -

#	Cost Item	Fixed Asset	Expense Item	Business Activity	Department	Amount	Amount (National Currency)
1	Concrete mixer	Tower Crane A	Depreciation Costs	Main Activity	Main Department	1,216.67, ا.د.	1,216.67, ا.د.
2	Concrete mixer	Komatsu D85ESS-2A Crawler ...	Depreciation Costs		Main Department	2,770.68, ا.د.	2,770.68, ا.د.
3	Concrete mixer	HP OfficeJet Pro 9015 All-in-On...	Depreciation Costs		Main Department	13.00, ا.د.	13.00, ا.د.
4	Concrete mixer	Generator	Depreciation Costs		Main Department	616.67, ا.د.	616.67, ا.د.

Allocation Results

Add Search (Ctrl+F) More actions -

Project	Project Task	Project WBS	Factor	Amount	Amount (National Currency)	Remaining Budget Amount		
						Project	Project Task	Project WBS
Villa #351 - Dubai South	Excavation & Earthw...	Villa #351 - Dubai So...	24.000	616.67, ا.د.	616.67, ا.د.			
			24.000	616.67	616.67			

Update Budget

Recognised by time cards

The **Recognised by Time Cards** tab is used to distribute and adjust fixed asset depreciation costs based on the actual time the assets were used. Data appears in this table only when time cards with the **cost allocation** option enabled are recorded within the same accounting period and share the same analytics, including project, department, and fixed asset.

The system can reverse previously allocated depreciation transactions and generate new allocations according to the usage hours recorded in asset time cards. This allows depreciation expenses to be allocated accurately to projects based on actual asset usage.

Only time cards entered within the selected accounting period are included in the allocation process, ensuring depreciation costs are posted to the appropriate period.

- **Reverse** - Checkbox showing whether the depreciation allocation entry will be reversed.
- **Project / Project Task / Project WBS** - Shows where the original depreciation cost was allocated.
- **Business Activity** - Business operation related to the depreciation cost.
- **Resource** - Fixed asset or equipment linked to the reversed depreciation cost.
- **Expense Item / Cost Item** - Defines the type and category of depreciation cost being reversed.
- **Time Card** - Reference to the original asset usage record.
- **Quantity / Amount** - Usage hours and depreciation cost amount being reversed from the project ledger.

Project Costs Allocation MEPCA25-0000005 dated 11/30/2025 12:00:01 AM *

Post and close Save Post More actions ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards (2) Additional Information

For the Time Cards marked as "Reverse" will be created reverse posting in "Income and Expense by Projects" register

Search (Ctrl+F) More actions -

#	Reverse	Project	Project Task	Project WBS	Business Activity	Resource	Department	Expense Item	Cost Item	Time Card
1	<input type="checkbox"/>	Villa #351 - Dubai ...		Villa #351 - Dubai S...		Tower Crane A		Depreciation Costs	Concrete mixer	Time Card ME0025-0000006 dated 11/25/2025 12:0...
2	<input checked="" type="checkbox"/>	Villa #351 - Dubai ...	Excavation & Earthwork...	Villa #351 - Dubai S...		Generator		Depreciation Costs	Concrete mixer	Time Card ME0026-0000001 dated 11/30/2025 12:0...

Project Costs Allocation MEPCA25-0000005 dated 11/30/2025 12:00:01 AM

Post and close Save Post More actions ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards (2) Additional Information

For the Time Cards marked as "Reverse" will be created reverse posting in "Income and Expense by Projects" register

Search (Ctrl+F) More actions -

Task	Project WBS	Business Activity	Resource	Department	Expense Item	Cost Item	Time Card	Quantity	Amount
	Villa #351 - Dubai S...		Tower Crane A		Depreciation Costs	Concrete mixer	Time Card ME0025-00000006 dated 11/25/2025 12:0...	24.000	264.00
ation & Earthwork...	Villa #351 - Dubai S...		Generator		Depreciation Costs	Concrete mixer	Time Card ME0026-00000001 dated 11/30/2025 12:0...	24.000	576.00

Additional Information tab

On this tab, users can enter optional details for the document, such as the department and the person responsible for the allocation. No fields are mandatory.

Project Costs Allocation MEPCA25-0000004 dated 11/30/2025 12:00:00 AM

Post and close Save Post More actions ?

Main Allocation of Depreciation Costs (4) Recognised by Time Cards Additional Information

Department: Main Department

Responsible: Yusuf