

# How to Process a Non-Standard Transfer or Reclassification of Fixed Assets

## Overview

This instruction explains how to process non-standard fixed asset transactions when a direct transfer operation is not available.

The method allows users to:

- Remove a fixed asset from the balance sheet
- Reclassify the fixed asset value to the required accounting account
- Process transactions that cannot be completed using standard fixed asset transfer documents.

The process is performed in two steps:

1. Write off the fixed asset
2. Reclassify the amount from the expense account to the appropriate target account

This approach is intended as a workaround for cases where the system does not provide a direct transfer option.

### When to use this method

Use this method for the following scenarios:

- Transfer of a fixed asset to a shareholder or owner
- Transfer of a fixed asset to another legal entity when a standard transfer is not available
- Accounting reclassification

### Example: Transfer of a Fixed Asset to a Shareholder

## Step 1: Write Off the Fixed Asset

Open the **Fixed Asset Write Offs** document. Go to **Asset Managment** **Fixed Asset Documents** **Fixed Asset Write Offs**. Create a new document and select the fixed asset to be transferred on the **Fixed Assets** tab.

The screenshot shows the 'Fixed Asset Write Off' document interface. The 'Fixed Assets' tab is active, displaying a table with the following data:

| # | Fixed Asset ID  | Gross Cost (AED) | Depreciable Cost (AED) | Current Depreciation Amount (AED) | Net Book Value (AED) | Transaction Content |
|---|-----------------|------------------|------------------------|-----------------------------------|----------------------|---------------------|
| 1 | Coffee Machines | 20,000.00        | 20,000.00              | 1,666.67                          | 14,999.99            |                     |
|   | 22222222        |                  | 3,333.34               |                                   |                      |                     |

On the **Main** tab, select the expense account to which the fixed asset will be written off. Save and post the document.

The screenshot shows the 'Main' tab of the 'Fixed Asset Write Off' document. The following fields are visible and highlighted with red boxes:

- Correspondence:** Other Operating Expenses
- Department:** Main Department
- Expense Item:** Expense Item
- Business Activity:** (empty field)

Other visible fields include: Number: EIFAW26-0000001, From: 3/1/2026 12:00:00 PM, Entity: United Furniture Group (East location).

Document's Registers Records

Fixed Asset Write Off EIFAW26-0000001 dated 3/1/2026 12:00:00 PM  
Document's Registers Records

Accounting Register "General Ledger"

| Period<br>Entity                       | Account Dr                   | Extra Dimension Dr | Quantity Dr<br>Currency Dr | Account Cr                   | Extra Dimension Cr | Quantity Cr<br>Currency Cr | Amount              |
|----------------------------------------|------------------------------|--------------------|----------------------------|------------------------------|--------------------|----------------------------|---------------------|
| Line Number                            | Department Dr                |                    | Amount (Cur.) Dr           | Department Cr                |                    | Amount (Cur.) Cr Content   | Accounting Currency |
| 3/1/2026 12:00:00 PM                   | Depreciation of Fixed Assets | Depreciation Costs |                            | Depreciation of Fixed Assets | Coffee Machines    |                            | 1,666.67            |
| United Furniture Group (East location) |                              | Coffee Machines    |                            |                              |                    |                            | AED                 |
| 1                                      | Main Department              |                    |                            |                              |                    |                            |                     |
| 3/1/2026 12:00:00 PM                   | Depreciation of Fixed Assets | Coffee Machines    |                            | Fixed Assets at Cost         | Coffee Machines    |                            | 5,000.91            |
| United Furniture Group (East location) |                              |                    |                            |                              |                    |                            | AED                 |
| 2                                      |                              |                    |                            |                              |                    |                            |                     |
| 3/1/2026 12:00:00 PM                   | Other Operating Expenses     | Expense Item       |                            | Fixed Assets at Cost         | Coffee Machines    |                            | 14,999.99           |
| United Furniture Group (East location) |                              |                    |                            |                              |                    |                            | AED                 |
| 3                                      | Main Department              |                    |                            |                              |                    |                            |                     |
|                                        |                              |                    |                            |                              |                    |                            | Other expenses      |

Run the **Statement of Depreciation** report to verify that the asset balance is zero and depreciation has been fully recognized.

**Purpose:** This step removes the fixed asset from the balance sheet and transfers its value to an expense account as an intermediate accounting entry.

## Step 2: Reclassify the Amount to the Target Account.

Open the **Other Expenses** document. Go to **Accounting module Service Tools Other Expenses**. Create a new document and select **Transaction Type – Reversal** on the **Main** tab.

Other Expenses (create) \*

Post and close Save Post Generate Print More actions

Main Expenses (1)

Number: [Auto] From: 3/1/2026 12:00:00 AM

Transaction Type: **Reversal**

Entity: United Furniture Group (East location)

Basis: [Auto]

Responsible: [Auto]

Comment

Transaction Remarks

Transfer the amount from the Expense Account to the Shareholder Account (account for settlements with the owner), or to another account according to the transaction scenario. Save and post the document.

Other Expenses EIOEXP26-000005 dated 3/1/2026 12:00:00 PM

Post and close Save Post Generate Print More actions

Main Expenses (1)

| # | Expense GL Account Cr    | Department      | Account Cr Dimensions           | Project | Project Task | GL Account Dr                | Account Dr Dimensions |
|---|--------------------------|-----------------|---------------------------------|---------|--------------|------------------------------|-----------------------|
| 1 | Other Operating Expenses | Main Department | Other Operating Expenses, Other |         |              | Shareholders current account | M. Muhamad, Other     |

## Result

After completing both steps:

- The fixed asset is removed from the balance sheet.
- The amount is transferred to the appropriate accounting account.
- The temporary expense entry is reversed.
- The transaction does not remain reflected in Profit & Loss (P&L).
- The accounting records reflect the intended business transaction.

**Important notes:**

- This method should only be used when a standard fixed asset document is not available for the required transaction.
- The target account must be selected according to the nature of the transaction and the company's accounting policy.
- Ensure depreciation is fully recognized before writing off the asset.

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***# FixedAssetswriteoff#fixedassettransfertoshareholder#fixedassettransfertoanotheraccount***