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Isaac M. O'Bannon • Nov. 26, 2012



There are few professionals who find fixed asset management to be an exciting area of their client service, but for some types of businesses, developing effective depreciation strategies can make a significant difference to their bottom line, as well as to cash flow on a month to month basis.

Virtually all tax professionals know the value that 1040 clients can realize from having an annual tax planning engagement, and business clients can usually achieve greater success by using the growth ideas that a professional may offer during a consulting engagement. The same general principles apply to asset depreciation services.

Primarily, the goals are to ensure that a business is achieving the most advantageous

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disposed of without record, or have been lost. Depending on the value of those assets, correcting asset and insurance records can cause a significant reduction in property taxes and insurance premium costs.

Asset management systems have evolved greatly over the past decade, moving from antiquated spreadsheet lists that required extensive manual tweaking of the macros, to systems that now provide automation of many functions and all calculations.

The programs in this review vary somewhat in their intended focus, with some intended for use by a single company and others designed for use by a firm managing many clients. However, they all offer streamlined options for managing asset depreciation, including incorporation of the latest tax laws, and all provide varying methods of asset location monitoring.

The key, of course, is to get your clients to understand the value of effective asset management. The way to do that is not to start by talking about MACRS and ACRS, or straight-line versus accelerated depreciation, but by using the terms they need to know and care about: Their bottom line, potentially decreased tax liabilities and improved cash flow.

Accounting

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