

Hesabu ERP Fixed Assets Manual

Fixed assets

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Documentation version 1.0, published 17 November 2026. The screens in your own workspace may differ slightly depending on your plan and settings.

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Fixed assets

Register vehicles, equipment and property, depreciate them, move them, maintain them and dispose of them.

Fixed assets

Fixed assets overview

What counts as a fixed asset, how Hesabu ERP tracks it and the order to set it up.

Beginner · About 10 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

A **fixed asset** is something your business owns and uses for more than a year: a delivery van, a computer, shop shelving, a generator. Unlike stock, you do not sell it. Instead its cost is spread over its useful life as **depreciation**.

The list of assets

What the module does

Task	Result
Register an asset	One record per asset with cost, date, location and custodian
Depreciate it	Monthly entries that lower its value and record an expense
Move it	A history of where it has been and who holds it
Maintain it	Scheduled service tasks and repair logs
Dispose of it	Sale or scrap, with the gain or loss in your accounts

Setup order

1. Check your chart of accounts has the right asset and depreciation accounts. See The chart of accounts.
2. Create asset categories.
3. Register your assets, either new purchases or existing ones.
4. Let depreciation run.
5. Use movements and maintenance and disposal as needed.

Important notes

- Ask your accountant which depreciation method and rates to use. They affect your tax and your profit.
- Fixed assets are not the same as stock items. Do not create a delivery van as an item you hold for sale.

Next steps

Read Asset categories.

Related documentation

- Asset categories
- Registering assets
- Depreciation

Fixed assets

Asset categories

Group assets by type and set the depreciation method, life and accounts once per category.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

An **Asset Category** is a group such as *Motor Vehicles*, *Computers* or *Furniture*. It stores the rules shared by every asset in the group, so you do not repeat them each time.

Prerequisites

The Accounts Manager role, and these accounts in your chart of accounts for each category:

- the **asset** account (for example *Motor Vehicles*)
- the **accumulated depreciation** account
- the **depreciation expense** account

Steps

1. Search for **Asset Category** and click **Add Asset Category**.
2. Enter the name, such as *Motor Vehicles*.
3. In the **Finance Books** table, set: - the **Depreciation Method**: *Straight Line* or *Written Down Value* - the **Total Number of Depreciations** and the **Frequency** in months (for example 60 depreciations monthly for a five-year life)
4. In the **Accounts** table, choose the **Company** and the three accounts above.
5. Save.

Practical example

Mwangaza Hardware creates *Motor Vehicles* with straight-line depreciation over 60 months, and *Computers* over 36 months. Each uses its own accounts, so the balance sheet shows them separately.

Important notes

- Rates and lives must follow your accountant's advice and the tax rules for capital allowances in Kenya. Book depreciation and tax depreciation are often different.
- Changing a category later does not rewrite assets already depreciating.

Common mistakes

- Using the same expense account for every category, which hides where the cost sits.
- Choosing an account that is a group, not a ledger account.

Next steps

Read Registering assets.

Related documentation

- Fixed assets overview
- Registering assets
- The chart of accounts

Fixed assets

Registering assets

Record a newly bought asset, or bring in assets you already own.

Intermediate · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Every asset gets its own **Asset** record. How you create it depends on whether you just bought it or already owned it.

Prerequisites

Asset categories created. A **Location** for each place assets are kept (search for **Location** and add, for example *Head Office* or *Shop*).

Steps

A new purchase

1. Record the supplier's bill as a **Purchase Invoice**, with the item set as a fixed asset item. See Recording supplier bills.
2. The system creates the asset in draft, or you create it from the invoice.
3. Open **Asset**, check the details below, and **Submit**.

An asset you already own

1. Search for **Asset** and click **Add Asset**.
2. Choose the **Item** (a fixed-asset item), the **Asset Category** and the **Company**.
3. Enter the **Net Purchase Amount** (the original cost) and the **Purchase Date**.
4. Enter the **Available-for-use Date**, which is when depreciation starts.
5. Tick **Is Existing Asset** and fill in the **Opening Accumulated Depreciation**, if it has already lost value.
6. Choose the **Location** and the **Custodian** (the employee responsible).
7. Check the **Depreciation** table, then **Save** and **Submit**.

Create the fixed-asset item

Search for **Item**, add it, tick **Is Fixed Asset**, and choose the **Asset Category**. Untick **Maintain Stock**.

Practical example

The business bought a delivery van for KES 2,400,000 in March. It is registered as *KBZ 123X*, category *Motor Vehicles*, location *Warehouse*, custodian *Otieno*. The first depreciation is scheduled for the end of March.

Important notes

- Register costs that bring the asset into use, such as delivery and installation, in the cost. Ask your accountant.
- Put the asset tag number or the registration number in the **Asset Name** so it is easy to find.
- Tag physical assets with their asset number.

Common mistakes

- Forgetting to tick **Is Existing Asset**, so depreciation is calculated from scratch.
- Entering the wrong available-for-use date, which shifts all depreciation.

Next steps

Read Depreciation.

Related documentation

- Asset categories
- Depreciation
- Recording supplier bills

Fixed assets

Depreciation

See the schedule, post depreciation entries and review the value of your assets.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Depreciation spreads an asset's cost over its life. When you register an asset, the system builds a **depreciation schedule**: a list of future dates and amounts. On each date, a journal entry is created.

Steps

View the schedule

1. Open the **Asset** record.
2. Scroll to the **Depreciation Schedule** table. Each row shows the date, the amount and the accumulated total.

Post depreciation

Depreciation entries are usually created automatically on the schedule date. To post one manually:

1. Open the asset.
2. In the schedule, find the row due, and click **Make Depreciation Entry**.
3. Open the journal entry, review it, and submit.

Review values

1. Open **Fixed Asset Register** to see each asset's cost, accumulated depreciation and **book value**.
2. Open **Asset Depreciations and Balances** for totals by category and period.
3. The same figures feed your balance sheet. See Financial reports.

Practical example

On the last day of each month, a journal debits *Depreciation Expense* and credits *Accumulated Depreciation – Motor Vehicles* for KES 40,000. The van's book value falls by that amount.

Important notes

- Post depreciation before closing the month or year.
- Check that the fiscal year exists for the schedule dates. See Currency, fiscal year and accounting periods.
- Do not edit a depreciation journal by hand. Cancel it and repost.

Common mistakes

- Skipping months, then having to catch up.
- Disposing of an asset without posting depreciation up to the disposal date.

Troubleshooting

If no depreciation entries appear, check that the asset is submitted and has an available-for-use date in the past, and that automatic depreciation is not turned off in **Accounts Settings**.

Next steps

Read Moving and maintaining assets.

Related documentation

- Asset categories
- Registering assets
- Financial reports

Fixed assets

Moving and maintaining assets

Record transfers between people and places, and keep service and repair history.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Assets move between people and places, and they need servicing. Recording both keeps accountability clear and protects the asset's value.

Steps

Record a movement

1. Search for **Asset Movement** and click **Add Asset Movement**.
2. Choose the **Purpose**: *Transfer*, *Issue* (to an employee) or *Receipt* (back from an employee).
3. Add the assets in the table, with the **Target Location** and **To Employee**.
4. Save and submit. The asset's location and custodian update, and the history is kept.

Plan maintenance

1. Search for **Asset Maintenance** and click **Add Asset Maintenance**.
2. Choose the **Asset**, and add a **Maintenance Team** and the **Maintenance Tasks**: the name, how often (monthly, yearly) and the next due date.
3. Save. The responsible person is reminded when a task is due.

Log a repair

1. Open **Asset Repair** and click **Add**.
2. Choose the asset, add the failure date, the description and the **cost**.
3. If the repair extends the asset's life or value, ask your accountant whether to add it to the asset's cost instead of expensing it.

Practical example

The delivery van is issued to Otieno on 1 March. In June it goes for a service costing KES 18,500, recorded as an asset repair. The next service is scheduled for September.

Important notes

- Keep insurance and warranty details in the asset's notes or attachments. See Attachments and files.
- Run a physical check of assets against the register once a year.

Common mistakes

- Moving an asset physically without a record.
- Leaving a former employee as custodian.

Next steps

Read Selling and scrapping assets.

Related documentation

- Registering assets
- Selling and scrapping assets

Fixed assets

Selling and scrapping assets

Remove an asset from your books when it is sold, scrapped or lost, and record the gain or loss.

Advanced · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

When an asset is sold or scrapped, you remove it from the register. The difference between its **book value** and what you received is a **gain or loss** on disposal.

Prerequisites

Depreciation posted up to the date of disposal. See Depreciation.

Steps

Sell an asset

1. Create a **Sales Invoice** to the buyer.
2. In the items table, choose the asset's item, and select the **Asset**. Set the rate to the selling price.
3. Submit. The asset's status becomes *Sold*, and a journal posts the gain or loss.

Scrap an asset

1. Open the **Asset**.
2. Click **Manage > Scrap Asset**.
3. Confirm the date. The asset is written off, and its remaining book value goes to the loss account.

Undo a scrap

If you scrapped by mistake, open the asset and click **Restore Asset**.

Practical example

A laptop with a book value of KES 12,000 is sold for KES 15,000. The sale posts a gain of KES 3,000. Another has a book value of KES 4,000 and is broken, so it is scrapped and the KES 4,000 is recorded as a loss.

Important notes

- Keep the sales agreement or the scrap approval attached to the record.
- Disposal can have tax consequences. Ask your accountant.
- Stolen or lost assets should be written off with a note and the police report number.

Common mistakes

- Deleting an asset instead of disposing of it, which destroys the history.
- Disposing without posting depreciation first.

Next steps

Return to Fixed assets overview.

Related documentation

- Depreciation
- Creating a sales invoice
- Moving and maintaining assets

Support

Call or WhatsApp 0117 801 786.
Support requests: https://www.hesabuerp.co.ke/support.html
Website: https://www.hesabuerp.co.ke
Online documentation: https://www.hesabuerp.co.ke/documentation/

When you contact us, please give your workspace address and a short description of what you were doing. A screenshot helps.