

Asset categories

Fixed assets

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Fixed assets

Asset categories

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

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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