

Fixed asset accounting technology



Tangible property accounting is where tax accounting meets big data. That's because tangible property records can number in the hundreds of thousands, even millions, each requiring analysis, classification, reporting, and archiving. Moreover, ERP systems can leave much data unstructured, which makes it difficult for tax departments to find the information they need to adhere to the final tangible property regulations.

With the final tangible property regulations released by U.S. Department of the Treasury in September 2013, tax professionals are under pressure to implement the necessary tools and processes to meet compliance deadlines, starting with tax years beginning on or after January 1, 2014.

Technology to help manage fixed assets

KPMG LLP (KPMG) has the resources and technology to help you meet your tangible property accounting needs. Our tried and tested Asset Review Tool (ART) has been refined and upgraded over many years of use and has been customized to take into account the final tangible property regulations.

ART has been instrumental in helping our clients manage their impacted fixed asset records, costs, and related documents in real time.

In addition to ART, our KPMG fixed asset engagement team works with our advisory and forensic data analytics professionals to accumulate data and information across various online systems. All of this data is then housed within a secure KPMG database. This provides the engagement team with real-time access to key fixed asset information, which dramatically enhances project efficiency. Furthermore, through our Web-based technology, we can input, analyze, and retrieve data remotely while also allowing our Washington National Tax team to provide their analysis.

Outputs include KPMG's classification of each fixed asset, as well as analysis and supporting details—such as interview notes, scanned invoices, and work orders—presented in report format or electronically searchable files.

KPMG's ART and Tax professionals can help you:

- Conform data from multiple formats or legacy systems
- Facilitate complex analysis with custom tools
- Locate documents and records to support tax positions
- Develop document management strategies and methodologies
- Produce electronic deliverables





Asset Review Tool

Projects

Unique Identifier	Asset Description	Location	Ending Asset Balance	Review				
				1st	MG1	MG2	PTR	WNT
2006462-0-6	A/C UNIT FOR ROOFTOP OF BLDG 1-7 OFFICES	Aerospace	\$12,983.00	BW	JB			
2006740-0-6	WIP BLDG 1-9A UPGRADES	Aerospace	\$281,465.20					
2006793-0-6	SECURITY CONTROL CENTER	Aerospace	\$234,733.20					
2006735-0-6	VEHICLE MAINTENANCE GARAGE	Controls	\$45,000.25					
2006724-0-6	SHIPPING & RECEIVING UPGRADE	Fabrications	\$198,701.00					
2006764-0-6	ELECTRICAL SYSTEMS PLANT 1	Fabrications	\$348,246.50					
2006710-100-6	WIP BLDG 1-9A UPGRADES	Processing	\$27,804.34					
2006741-100-6	HANGER DOOR, HAW WIP BLDG 1-9A EAST DOOR	Processing	\$6,951.00					
2006741-0-6	HANGER DOOR, HAW WIP BLDG 1-9A EAST DOOR	Structures	\$94,000.00					
2006830-0-6	ROOF REPLACEMENT BLDG 1-9	Structures	\$694,000.00					

Change View



Client Questions



Status Report



Checklist Report



Asset Review Tool

Unique Identifier

Location



Exit

Checklist/Review

CER Amount:

General Information

Asset	<input type="text" value="2006462"/>	Sub Asset No	<input type="text" value="0"/>
Asset Description	<input type="text" value="A/C UNIT FOR ROOFTOP OF BLDG 1-7 OFFICES"/>	Capitalization Date	<input type="text" value="3/25/2005"/>
Asset Cost	<input type="text" value="\$12,983.00"/>	City	<input type="text" value="New York"/>
Life	<input type="text" value="039/000"/>	State	<input type="text" value="NY"/>

Tax Treatment

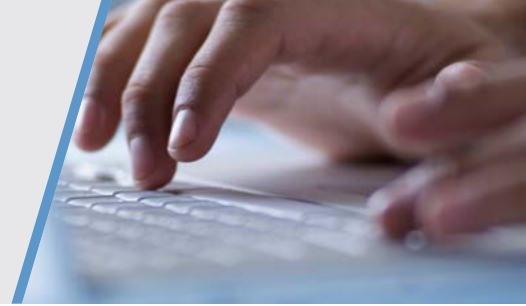
Tax Treatment Determination:	<input type="text" value="Repair"/>	Amount:	<input type="text" value="\$0.00"/>
Category:	<input type="text" value="Building"/>	Sub-Category:	<input type="text"/>

If the Tax Treatment is Split, please fill in the relevant fields below:

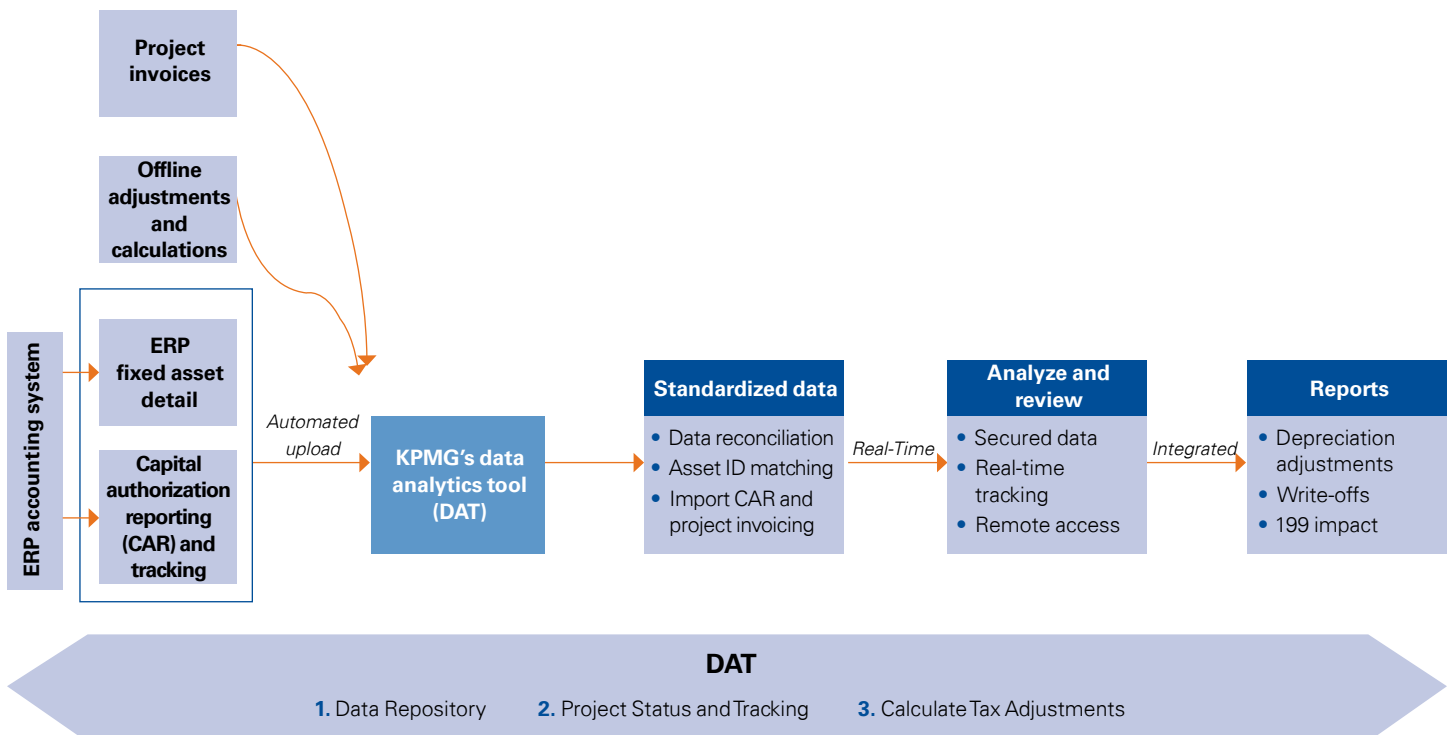
	Tax Treatment Determination	Category	Sub Category	Amount
Option 1:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Option 2:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Option 3:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Option 4:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Option 5:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Option 6:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sum:				<input type="text" value="\$0.00"/>

Does the expenditure satisfy the following for the Unit of Property:

Fix a pre-existing condition?	<input type="text" value="Yes"/>	Results in an Addition or Expansion?	<input type="text"/>
Results in Increased Capacity/Productivity?	<input type="text" value="No"/>	Results in Increased Output/Throughput?	<input type="text"/>



The following diagrams illustrate how KPMG's fixed asset and data analytics software manages various inputs. The main page of the ART lists all of your assets and provides you the option of printing various summary reports in Excel® format.



Asset Review Tool (ART)

Critical to project success is our ability to help you align recommended repairs method changes to your existing business systems, process, and controls. To facilitate efficient and effective implementation, our approach includes the following system assessment steps:

- Conduct a review of tax depreciation processes and engines
- Conduct discussions around procedural implementation maintenance expectations (e.g., level of training—process and systems based, procedural change write-ups, and so forth)
- Perform an impact analysis on the existing fixed asset business processes arising from the recommended repairs and depreciation method changes
- Provide a preliminary assessment of mass asset changes and controls enhancements to embed new methods and help ensure sustained results



Fixed asset professional team

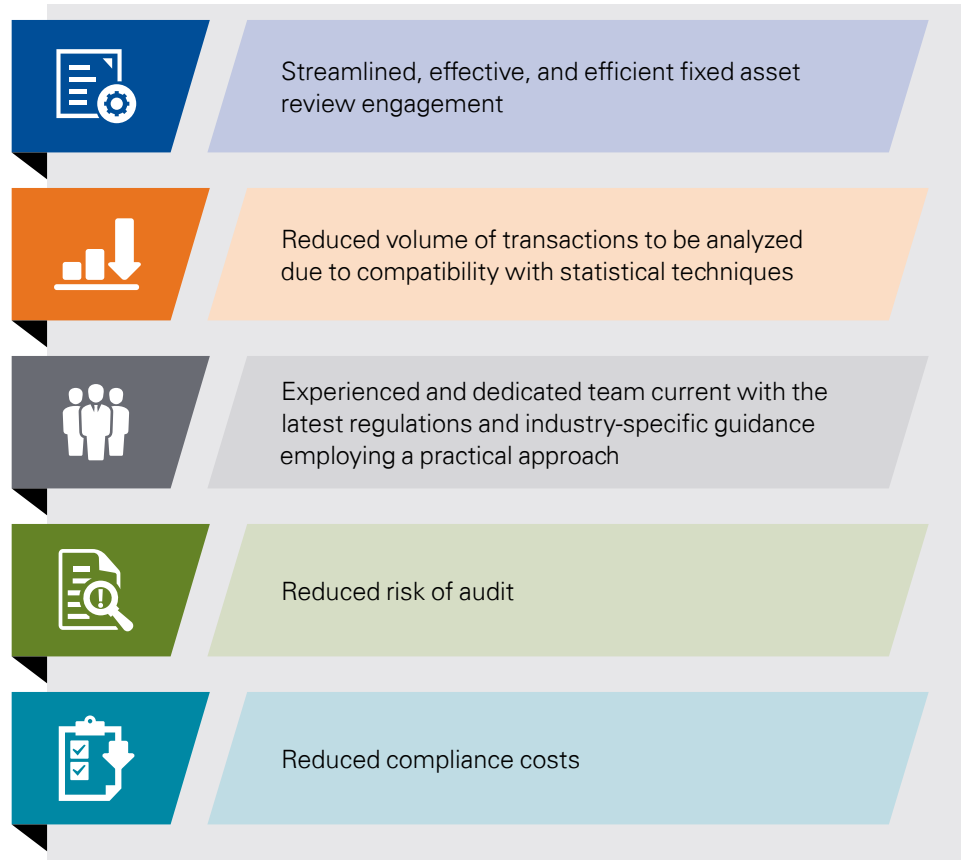
KPMG's Fixed Asset Services practice comprises more than 40 professionals, located in every region of the country. In addition to our fixed asset services professionals, our team works very closely with KPMG's Advisory and Forensic groups, whose data analytics professionals liaise between your IT group and KPMG's Tax group to help ensure an efficient transfer and analysis of data.

KPMG's Tax professionals bring fixed asset-related skills, as well as background experience in engineering, construction, tax accounting, real estate, and project management. They are supported by resources in KPMG's Washington National Tax practice who are dedicated to matters related to fixed asset accounting.

Our teams address depreciation, capitalization, cost segregation, and repairs and maintenance issues simultaneously during engagements; however, as a client, you work with one KPMG project manager.

ART benefits

Organizations can receive the following benefits from KPMG's fixed asset review services:



Contact us

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Some or all of the services described herein may not be permissible for KPMG's audit clients and their affiliates

kpmg.com

The information contained herein is general in nature and based on authorities that are subject to change. Applicability to specific situations is to be determined through consultation with your tax adviser.

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