

## **Case Study:** *Fixed Asset Management*



### **Client Background:**

Our client was a large grocery retailer with national presence, which operated manufacturing facilities across the country.

### **The Problem:**

While completing a comprehensive fixed asset inventory at one of our client's manufacturing facilities, our specialists noticed a large production line that had not been in use at anytime during the inventory project. After further investigation and discussion, it was determined that this equipment had not been in use for over 8 months and would not likely be used again in the near future. While detailing the potential financial implications of the idle status of this equipment with the facility's financial department, it was also discovered that there were many more pieces of idle equipment stored in other locations.

### **Our Approach:**

GFTC was able to conduct a physical inventory of the large production line, cataloging the equipment with the help of our customized barcode tagging technology. Our project team was then able to reconcile these specific assets back to the client's fixed asset ledger.

### **The Results:**

GFTC was able to prepare and provide the client with the documentation necessary to claim functional obsolescence on all of the equipment in question (valued well into the millions of dollars). This resulted in a major reduction in the taxable value (down to 5% scrap value) and saving our client 24% on their future tax bill.