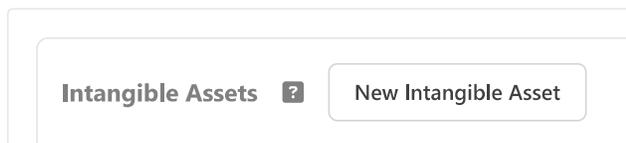# Intangible Assets

The **Intangible Assets** tab helps manage and track your business's non-physical assets, such as intellectual property rights, patents, licenses, or goodwill. You can enter detailed information for each intangible asset, oversee its amortization, and monitor its book value as it changes over time.

> ≋ **Intangible Assets**

Creating an Intangible Asset

To create a new intangible asset:

1. Navigate to the **Intangible Assets** tab.

2. Click the **New Intangible Asset** button.

> **Intangible Assets** ❓   New Intangible Asset

3. Enter the necessary details:

   - **Code**: An identifier for the intangible asset.

   - **Name**: The name of the intangible asset.

   - **Description**: A brief description of the asset.

   - **Amortization Rate**: The rate at which the asset will be amortized.

   - **Control Account**: The control account associated with the intangible asset. If custom control accounts are not set up, it defaults to *Control account - acquisition cost.*

When a new intangible asset is created, its acquisition cost is initially zero because no transactions have been linked to it yet.

Recording the Acquisition Cost

To set an acquisition cost, record a transaction representing the purchase of the intangible asset:

- **If purchased with cash**:

  1. Go to the **Payments** tab.

  2. Click the **New Payment** button.

  3. Record the payment by allocating it to the *Intangible assets, at cost* account.

  4. Select the specific intangible asset.

- **If purchased on credit from a supplier**:

  1. Navigate to the **Purchase Invoices** tab.

  2. Click the **New Purchase Invoice** button.

  3. Categorize the purchase by allocating it to the *Intangible assets, at cost* account.

  4. Select the specific intangible asset.

Understanding the Intangible Assets Tab

The **Intangible Assets** tab displays several columns to help you track your assets:

- **Code**: The intangible asset code.

- **Name**: The name of the intangible asset.

- **Description**: A description of the intangible asset.

- **Amortization Rate**: The amortization rate for the asset.

- **Control Account**: The control account associated with the intangible asset.

- **Acquisition Cost**: The sum of transactions assigned to the asset, reflecting its acquisition cost.

- **Amortization**: The total of amortization entries for the asset, indicating accumulated amortization.

- **Book Value**: Calculated by subtracting amortization from the acquisition cost.

- **Status**: Specifies if the intangible asset is *Active* or *Disposed*.

By effectively managing these details, you can oversee the financial aspects of your intangible assets and ensure accurate accounting over time.