COURSE: **Lease Accounting: Platform Setup – FASB & IFRS**
Key Takeaways

LEASE ACCOUNTING

Introduction

KEY SECTIONS	TAKEAWAYS
Objectives	○ Preferences include Discount Rates, Calculation Methodology, Classification Tests and miscellaneous other settings. *For more information, reference the "Administrator" section in the User Manual Reference*

System Settings

KEY SECTIONS	TAKEAWAYS
System Settings	○ Accounting Schedule settings found under Financial Defaults. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
Transition Date	○ Set date of adopting new accounting standard. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
NPV Calculation Method	○ Beginning or End of Period. This is NOT the date payments will be made, it is just a calculation methodology. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
Thresholds	○ Can be switched off to comply with the removal of the "Bright Lines", but that means clients need to manually evaluate each lease.
	○ Many clients are leaving it on for the automatic processing, but are manually overriding specific leases is warranted.
	○ The "Bright Lines" can be adjusted as desired. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*

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Discount Rates

KEY SECTIONS	TAKEAWAYS
Default Rate	○ Default Rate is a required field. It can stand alone to apply to all schedules, or be a backstop for leases which are not covered by the detailed rate schedule, if used. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
Rate Table	○ Rates can be created on the basis of Organization, Country, Currency, Asset Class or Lease Term. Lease Term is entered as months, in an "up to" format. Leaving term blank applies the rate to all leases with terms greater than the highest specified term in the table. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
Lease Term	○ Can beset to apply the yield curve to the remaining term of the lease from the schedule beginning date, or the total term of the lease. *For more information, reference the "Administrator > Financial and Accounting" section in the User Manual Reference*
Import Template	○ The number of variables can generate a large, complex number of rates to manage. The import template is the easiest way to create and manage a large number of values. ○ It is a best practice to always enter new rates with new effective dates. Overwriting rates is not recommended except for correcting errors. *For more information, reference the "Administrator > Tools" section in the User Manual Reference*