

10 Things to Look for in a Lease Accounting Software Solution

With the ASC 842 compliance deadline looming, selecting a software solution to manage your leases and perform complex accounting entries may be keeping you up at night. While this process can often take months, we've put together a checklist of "must-haves" that can help accelerate your decision-making on the road to implementation.

1

Out of the Box Compliance With the Latest Standards

To meet the deadline, you need tested software that can readily support outlined transition approaches and new standards like ASC842, IFRS 16 and GASB 87, as well as create required disclosures—without customization or configuration.

2

Proven Track Record Helping Similar Companies Make the Transition

You can't afford to have a partner learning as they go. We work with software solution providers with thousands of successful transitions under their belt, working similar companies to yours, that can provide recommendations.

3

Automated Classification of Leases Based on Policy Thresholds

Your software should be able to easily separate lease and non-lease components, group leases into operating or finance, and record judgments about classifications and decisions—reducing manual work.

4

Audit-Ready Subledger With Summary & Detail-Level Journal Entries

Detailed accounting entries can clutter your balance sheet. Select a solution that records journal entries like commencement, expense recognition and principal reduction in a subledger for simplified reporting.

5

Centralized, Asset-Level Data Repository with Permission-Based Retrieval

An up-to-date and complete set of records about your portfolio is essential to your success. Your software should offer secure, centralized storage and permissions-based access to both real estate and equipment leases.

6

International Capabilities to Support Multiple Currencies & Borrowing Rates

A typical Fortune 500 company has assets in 10 or more countries. Identify upfront whether your software can support borrowing rates for different lease terms, currencies or subsidiaries in your portfolio.

7

Simple Allocation of Leasing Financials to Cost, Revenue or Profit Centers

Managers need to understand the cost behaviors of leasing by region, business unit and product. Your solution should enable responsibility center accounting and cost-sharing with automated allocations.

8

Rigorous Security Policies, Processes & Internal Controls

Cloud-based software comes with additional considerations. Look at SLAs for system monitoring, security and data policies, and third-party audits of internal controls documented in SOC reports.

9

Pre-Built, Automated Disclosures & Customizable Reporting for Stakeholders

Accessing the disclosures you need should be as simple as clicking a button with the right software solution. Creating custom reports for auditors or executive stakeholders should also be simple and intuitive.

10

Comprehensive Implementation & Onboarding Support for Rapid Launch

Having an experienced partner can help you accelerate implementation and lease data capture. Combined with the services of a firm like RGP, you can achieve compliance in a shortened timeline.

RGP works with best-in-class technology partners to help private companies and non-profit organizations achieve ASC 842, IFRS 16 and GASB 87 compliance—from assessment through design, implementation and ongoing support. Our Lease Accounting Center of Excellence has supported more than 300 transitions to compliance.

Let's talk about your road to compliance.

Contact leases@rgp.com to get started.



Learn More at the [RGP Lease Accounting Resource Hub](#)