

FASB Initial Setup Checklist

This document, created to use as both a guide and a checklist, is designed to assist you in navigating the initial steps of using LeaseCrunch. Whether you are an administrator responsible for setting up user accounts and groups, or a user tasked with inputting data for reporting entities, this guide and checklist combination is one of many resources available to you.

Additionally, it includes an appendix with software-specific phrases and standard terminology for your convenience. Let's get started on simplifying your lease accounting process together!

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Quick Tip:

While navigating throughout this guide, you'll see multiple terms listed in **bold**.

To access the glossary or to see the definition of specific terms, click on the bolded text.

Users

After you log in for the first time, navigate to the Administration tab then click the Users tab to begin setup.

Set users up using First Name, Last Name and Email address. During setup, assign each user a role:

- + Administrator
- + Accounting Administrator
- + User
- + Read Only

The screenshot shows the 'Administration' tab in the software interface. The 'Users' sub-tab is active, displaying a table with one user entry: Jess Vento (LC Support) with email jess.vento@leasecrunch.com and role Administrator. The 'Invite User' dialog box is overlaid on the left, showing fields for Email, First Name, Last Name, and Role (set to Administrator). Below the fields is a list of roles with their descriptions: Administrator (all permissions), Accounting Administrator (cannot manage users/groups), User (add/edit/report on leases), and Read Only (view leases/reports).

Administration Tab - Users

Name	Email	Role	Groups	Status
Jess Vento (LC Support)	jess.vento@leasecrunch.com	Administrator		Enabled

Showing 1

Invite User

Email:

First Name:

Last Name:

Role:

Administrator: Has all permissions.

Accounting Administrator: Same permissions as Administrator except they are unable to manage users and groups.

User: Can add, edit, revise, approve, and report on leases. On Administration tab, has view-only access to Users, Groups and Policies.

Read Only: Can view leases, run reports, and approve leases in Review status.

Groups

- + Create **Groups** for sending email alerts for important lease dates
- + Add users to Groups



NOTE:

Groups can be used for email alerts as well as permissions into client accounts on a firm level.

The screenshot displays the 'Groups' management interface. At the top, there is a navigation menu with tabs for 'Users', 'Groups', 'Policies', 'Reporting Entity', 'Customization', 'GL Accounts', 'Currency', and 'Email Alerts'. The 'Groups' tab is selected.

Below the navigation, there is a search bar with the text 'Add Group' and a magnifying glass icon. The main area shows a list of groups. The first group, 'Milwaukee', is selected and highlighted in blue. Below the list, there is a 'Total 0' indicator.

On the right side, there is a detailed view of the 'Milwaukee' group. It includes a 'Name' field with the value 'Milwaukee' and a 'Description' field. Below these fields, there is an 'Add Members' button and a search bar. A table lists the members of the group:

Name	Role
JV Jess Vento	User
JV Jess Vento (LC Support)	Read Only
TK Timothy Kohler	Administrator

At the bottom of the detailed view, there is a 'Total 3' indicator. The interface also includes 'Cancel' and 'Save' buttons.

Policies

There are a series of policies to configure when setting up your account:

- + Enable Firm Access to my Account**
- + Require Lease Term Guidance Wizard**
- + Require Classification Wizard**
- + Require Review + Approval for Leases**
- + Lease Accounting Policy Documents**

Users
Groups
Policies
Reporting Entity
Customization
GL Accounts
Currency
Email Alerts

Account Policies

- Enable Firm Access to my Account**
- Require Lease Term Guidance Wizard for every Lease**
- Require Classification Wizard for every Lease**
- Require Review + Approval for every new Lease Created**

Lease Accounting Policy Documents

Below are Lease Accounting Policy Templates. You are encouraged to review, edit and upload your own lease accounting policy for users:

- [FASB ASC 842 Lease Accounting Policy Template](#)
- [IFRS 16 Lease Accounting Policy Template](#)
- [FASB ASC 842 and IFRS 16 Lease Accounting Policy Template](#)

Document Name	Date Uploaded
Central Perk Policy Document.docx	09/02/2021

Lease Classification

Will ownership transfer to Lessee at the end of lease term?

Yes No

Is Lessee **reasonably certain** to exercise a purchase option? If Yes, include purchase price in lease payments.

Yes No

Will leased asset have no alternative use to the lessor at the end of the lease?

Yes No

Is the lease term a **major part** (>=75%) of the economic life of the underlying asset? Answer "No" if the lease start date is within the last 25% of the life of the underlying asset.

Yes No Calculate

Does the present value of lease payments equal (or exceed) **substantially all** (>=90%) of the fair value of the leased asset at the start date?

Yes No Calculate

Cancel
Finish

Lease Term Wizard

1 START / END
 2 EARLY TERMINATION
 3 RENEWAL

4 FINISH

Enter the Start (Commencement) Date and End Date below. These should be on the first page or in the "Term" section of the lease. Note: The Start Date is not necessarily the date the lease was signed.

Start Date: * End Date: *

If the lease DOES NOT have a **specified** End Date, enter the term below in months:

Term (months): *

Next

Reporting Entity

At least one **Reporting Entity** must be created in order to enter leases into LeaseCrunch software. When creating a Reporting Entity, determine the following:

- + Name
- + Accounting Standard
- + Initial Application Date
- + Local Currency
- + Functional Currency
- + Location (specific to each Reporting Entity)



NOTE:

After a lease is added to this Reporting Entity, the Accounting Standard, Initial Application Date and Functional Currency cannot be changed.

Add Reporting Entity ✕

Name

Accounting Standard

Initial Application Date

Local Currency

Functional Currency

Enabled

After a lease is added to this reporting entity, the Accounting Standard, Initial Application Date, and Functional Currency cannot be changed

Customization

During set up, take a moment to further customize your account in preparation for entering a lease. These fields provide additional opportunities to capture lease data.

- + Asset Types: Add or remove all relevant Asset Types
- + Cost Centers*: Use to allocate expenses
- + Custom Fields*: Add as additional tracking - this field does not show in Journal Entries
- + Lessors*: Add each Lessor (landlord) for the leased assets (can also be added from the Add Lease screen)

*Not required

The screenshot displays the 'Customization' section of the FASB software interface. It features a navigation bar at the top with tabs for Users, Groups, Policies, Reporting Entity, Customization (selected), GL Accounts, Currency, and Email Alerts. Below the navigation bar, the 'Customization' section is divided into four main areas:

- Asset Types:** A horizontal list of asset types including Vehicle, Building, Copy Machine, Land, Office Space, Computer, Equipment, and Furniture. A green '+ Add New Asset Type' button is located to the right.
- Cost Centers:** A horizontal list of cost centers including Parking Lot, Sales, Marketing, Admin, and Office. A green '+ Add Cost Center' button is located to the right.
- Custom Fields:** A horizontal list of custom fields including Signer, Lease Administrator, and PO#. A green '+ Add Custom Field' button is located to the right.
- Lessors:** A table with a header row containing 'Name' and 'Action'. The first row of data shows 'Big Building Landlord' under the 'Name' column and a pencil icon under the 'Action' column. A green '+ Add Lessor' button is located to the right of the table.

GL Accounts

For each Reporting Entity:

- + Add the lease-related GL Descriptions and GL Numbers to match the Reporting Entity's chart of accounts

The screenshot displays the 'GL Accounts' configuration page for 'Central Perk LLC 1/1/22'. It features two main tables: 'Operating Leases' and 'Finance Leases'. The 'Operating Leases' table lists GL Account Types such as 'LT Lease Liability' and 'ST Lease Liability' with their corresponding Client GL Descriptions and GL Numbers. The 'Finance Leases' table lists 'Cash/AP Clearing Account', 'ROU Asset', 'LT Lease Liability', and 'ST Lease Liability' with their respective Client GL Descriptions, GL Numbers, and Financial Statements. A floating window on the right highlights the 'Lease Components' section of the interface.

GL Account Type	Client GL Description	GL Number	Financial Statement
LT Lease Liability	LT Lease Liability Operating	120	
ST Lease Liability	ST Lease Liability Operating	130	
Operating Lease Expense	Operating Lease Expense Operating	140	
Cash/AP Clearing Account	Cash / AP Clearing Account Operating	1015	
ROU Asset	ROU Asset Operating	1589	
Finance Leases			
GL Account Type	Client GL Description	GL Number	Financial Statement
Cash/AP Clearing Account	Cash / AP Clearing Account Finance	200	Balance Sheet
ROU Asset	ROU Asset Finance	210	Balance Sheet
LT Lease Liability	LT Lease Liability Finance	220	Balance Sheet
ST Lease Liability	ST Lease Liability Finance	230	Balance Sheet

Currency

This section does not apply to organizations operating in a single currency.

- + If operating in multiple currencies, you can opt to follow the common practice of using the prior month's exchange rate as your average exchange rate for the month.
- + When entering exchange rates, be sure to select the appropriate year.
- + When running Currency reports, you might need to translate from one currency and back again. Both need to be entered for reports to run properly.

Currency

Select year: 2021

Foreign Exchange Rates

Default Average Rate to previous month's EOM Rate

Add **Save**

			2021-01		2021-02		2021-03		
Action	Currency (From-To)	EOM Rate	Ave Rate	EOM Rate	Ave Rate	EOM Rate	Ave Rate	EOM Rate	
⌵	EUR - USD	1.2122		1.2089	1.2122	1.1726	1.2089	1.202	
⌶	USD - EUR	0.8249		0.8272	0.8249	0.8528	0.8272	0.8319	

Email Alerts

Email alerts notify you and your team about important events related to your leases.

To add an alert:

- + Enter Rule Name, Select Category, Reporting Entity and Asset Type. Enter the time period for which you or your team should be alerted.
- + Select the users who should receive the email notification (All Users is selected by default)
- + To add Groups, visit the Groups Tab

The screenshot shows the 'Add Alert Rule' dialog box overlaid on the 'Email Alerts' tab of the application. The dialog box contains the following fields and options:

- Rule Name:** A text input field with an asterisk indicating it is required.
- Category:** A dropdown menu with 'Select Category' selected and an asterisk.
- Lease Selection:** A dropdown menu with 'All Reporting Entities' selected.
- Asset Type:** A dropdown menu with 'All Asset Types' selected.
- Status:** Two radio buttons, 'Enabled' (selected) and 'Disabled'.
- Email Alert:** A text input field with an asterisk and a note: '* Days before (can enter multiple)'. There is also a 'Test' button next to it.
- Recipients:** Two radio buttons, 'All Users' (selected) and 'Groups & Users'. A note above them says: 'Choose Email Recipients. Groups and Users can be added in their respective Groups tab and Users tab.'

The 'Email Alerts' tab in the background shows a table with the following data:

Rule Name	Category	Lease Selection Reporting Entity	Asset Type	Alert Date (Days Before)	Recipients	Status	
End Dates	Lease End Date	All	All	30	Milwaukee	Enabled	
End Date Rule	Lease End Date	Central Perk LLC 1/1/22	Office Space	60	Jess Vento, Milwaukee	Enabled	

Glossary

Accounting Administrator	Same permissions as Administrator except they are unable to manage users and groups.	▲
Accounting Standard	FASB ASC 842 or IFRS 16	▲
Administrator	Has all permissions- can add leases, report on leases, and modify information in the Administration menu.	▲
Classification Wizard	When selected, each lease requires users to consider the five classification criteria by working through the Wizard.	▲
Enable Firm Access to my Account	When selected, you agree to allow the CPA firm to access your account as part of your relationship.	▲
Functional Currency	Identify the functional currency for the Reporting Entity. This is usually either the local currency or the currency of its parent company.	▲
Groups	Groups are used to send email alerts. Add a Group then add users to the Group.	▲
Initial Application Date	This is the date the Reporting Entity will adopt the standard. For additional details about determining this date, click here .	▲
Lease Accounting Policy Documents	Download the appropriate template, identify policy decisions, and upload the completed version for reference by your staff and CPA firm.	▲

Glossary

Lease Term Guidance Wizard	When selected, each lease requires users to consider termination clauses and renewal terms by working through the Wizard.	^
Local Currency	Identify the local currency for the Reporting Entity. This is the currency used to pay lease obligations.	^
Location	For each Reporting Entity, add locations for additional lease tracking. Locations become a dropdown on the Add Leases screen. Example: Add the primary physical location for each leased asset.	^
Read Only	Can view leases, approve leases in review status and run reports.	^
Reporting Entity	A Reporting Entity is the entity for which financial statements are produced.	^
Require Review + Approval for Leases	When selected, each lease entered requires approval by another user.	^
User	Can add, edit, review and report on leases. On Administration Tab, has view-only access to Users, Groups and Policies, Currency and Email Alerts	^



ACCESS THE KNOWLEDGE BASE



CONTACT SUPPORT