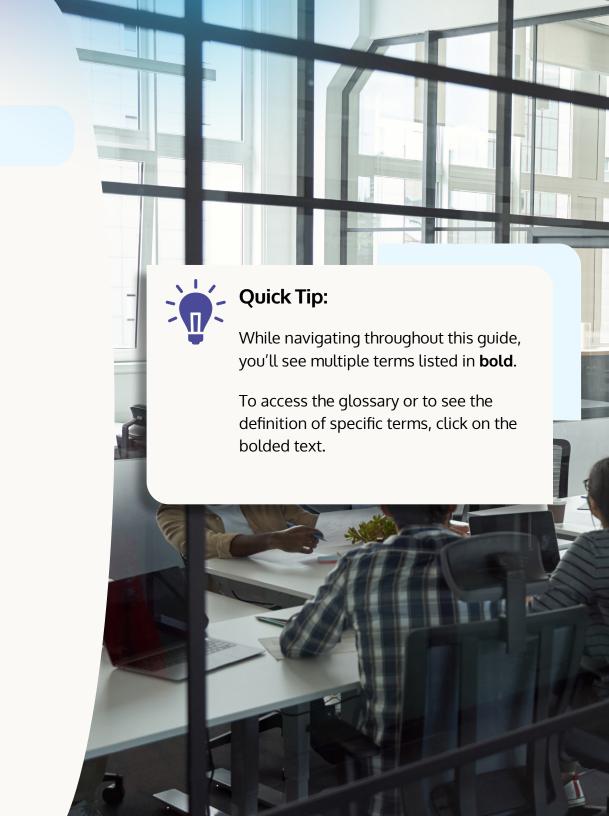# LEASECRUNCH

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!

Table of Contents

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.
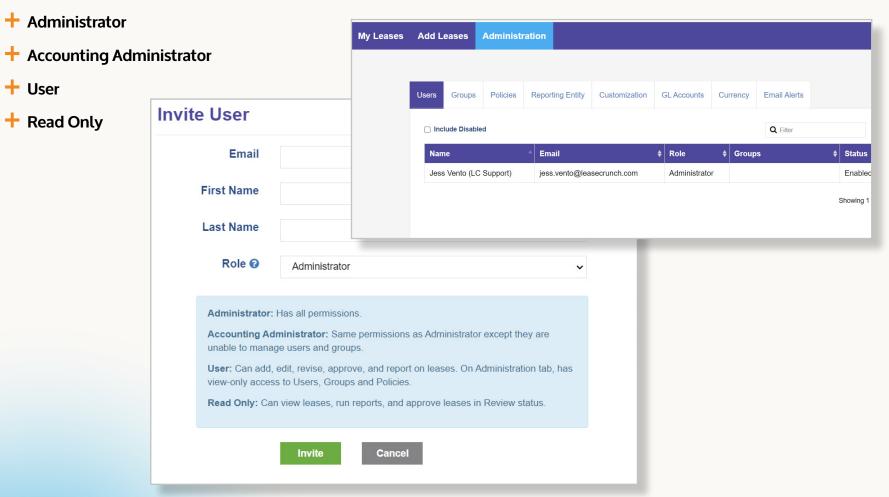
Users

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

My Leases	Add Leases	Administration

Users	Groups	Policies	Reporting Entity	Customization	GL Accounts	Currency	Email Alerts

☐ Include Disabled   🔍 Filter

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 ⌄

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.
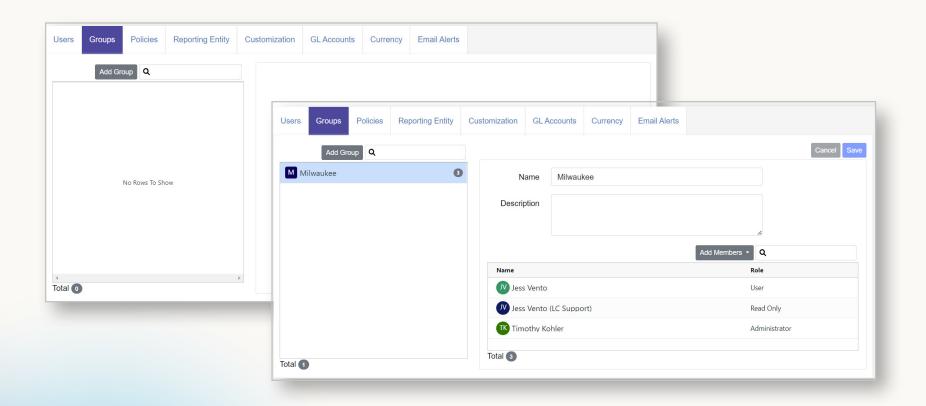
[Invite]   [Cancel]

Groups

+ Create **Groups** for sending email alerts for important lease dates

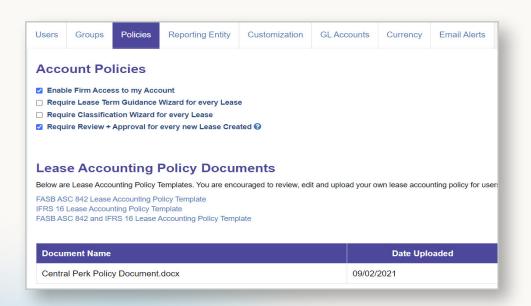+ Add users to Groups

NOTE:

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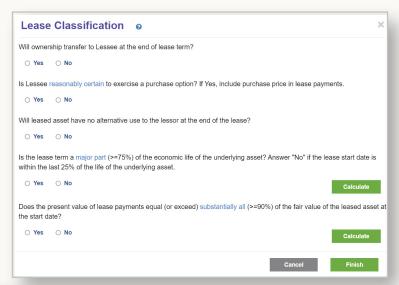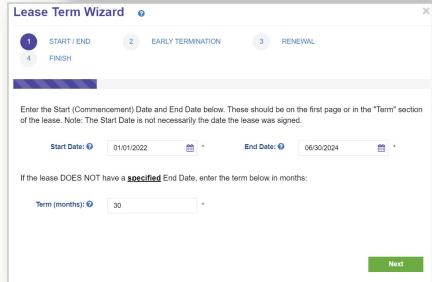
Policies

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**

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]

| 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 user

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 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: ❓ 01/01/2022 📅 *   **End Date:** ❓ 06/30/2024 📅 *

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

Term (months): ❓ 30 *

                                                                  [Next]
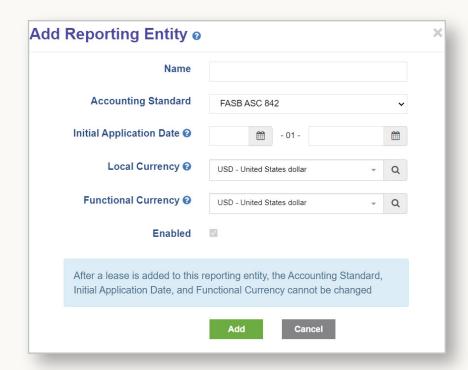
Reporting Entity

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 ❷   ✕

Name	
Accounting Standard	FASB ASC 842 ⌄
Initial Application Date ❷	📅 - 01 - 📅
Local Currency ❷	USD - United States dollar ⌄ 🔍
Functional Currency ❷	USD - United States dollar ⌄ 🔍
Enabled	☑

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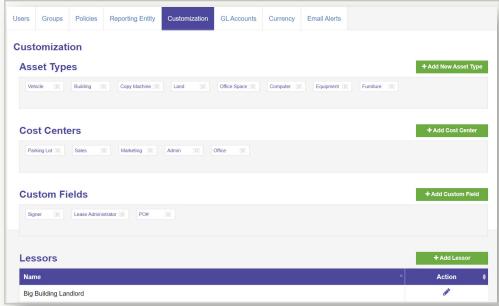
Add   **Cancel**

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)
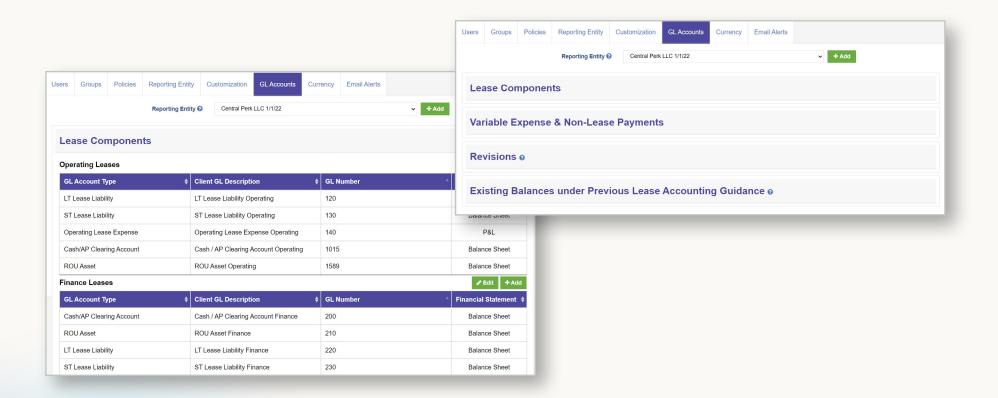
*Not required

| Users | Groups | Policies | Reporting Entity | Customization | GL Accounts | Currency | Email Alerts |

Customization

Asset Types   + Add New Asset Type

| Vehicle | Building | Copy Machine | Land | Office Space | Computer | Equipment | Furniture |

Cost Centers   + Add Cost Center

| Parking Lot | Sales | Marketing | Admin | Office |

Custom Fields   + Add Custom Field

| Signer | Lease Administrator | PO# |

Lessors   + Add Lessor

Name	Action
Big Building Landlord	✏

GL Accounts

For each Reporting Entity:

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

Users	Groups	Policies	Reporting Entity	Customization	**GL Accounts**	Currency	Email Alerts

Reporting Entity ⓘ   Central Perk LLC 1/1/22   **+ Add**

Lease Components

Operating Leases

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	Balance Sheet
Operating Lease Expense	Operating Lease Expense Operating	140	P&L
Cash/AP Clearing Account	Cash / AP Clearing Account Operating	1015	Balance Sheet
ROU Asset	ROU Asset Operating	1589	Balance Sheet

Finance Leases   ✎ Edit   **+ Add**

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

Users	Groups	Policies	Reporting Entity	Customization	**GL Accounts**	Currency	Email Alerts

Reporting Entity ⓘ   Central Perk LLC 1/1/22   **+ Add**

Lease Components

Variable Expense & Non-Lease Payments

Revisions ⓘ

Existing Balances under Previous Lease Accounting Guidance ⓘ

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.
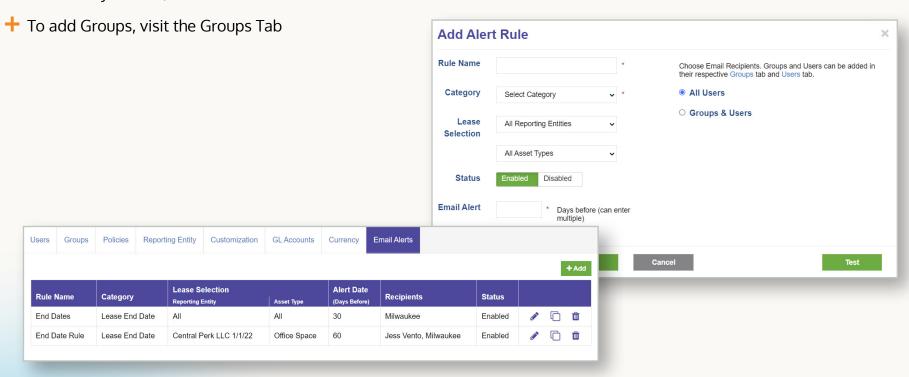
Users	Groups	Policies	Reporting Entity	Customization	GL Accounts	Currency	Email Alerts

Currency

Select year   [2021 ▾]

Foreign Exchange Rates ❷

☑ 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

Add Alert Rule   ✕

Rule Name	[ ] *	Choose Email Recipients. Groups and Users can be added in their respective Groups tab and Users tab.
Category	Select Category ▾ *	● **All Users**
Lease Selection	All Reporting Entities ▾	○ **Groups & Users**
	All Asset Types ▾	
Status	Enabled Disabled	
Email Alert	[ ] * Days before (can enter multiple)	

| Users | Groups | Policies | Reporting Entity | Customization | GL Accounts | Currency | **Email Alerts** |

+ Add   Cancel   **Test**

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**