

FASB/IASB LEASE ACCOUNTING COMPLIANCE

Ensure compliance across your real estate and equipment leases

As a result of the Enron fallout, accounting and financial reporting regulators, such as the SEC are making it harder to hide debts and assets from shareholders. The new accounting standards, Financial Accounting Standards Board (FASB) ASC 842 and International Accounting Standards Board (IASB) IFRS 16, require non-governmental companies and organizations to include both lessee and lessor lease obligations of all real estate and equipment assets on their balance sheets subject to certain exemptions.

These new standards were introduced to improve transparency for the amount, timing and uncertainty of cash flows from or due to leases. For US public and all international companies, the deadline to comply with FASB and IASB lease accounting standards began in fiscal year 2019. US private companies have until fiscal year 2020 to report using the new FASB standard.

“The Jamba Juice business calls for a comprehensive real estate management solution that manages our real estate portfolio and equipment leases, and one that eases our compliance responsibility associated with the new lease accounting guidance. We’ve found this with Accruent’s (Lucernex) software.”

– Josh Nicosia, Vice President, Development and Legal Affairs, Jamba Juice



HOW CAN LUCERNEX HELP WITH FASB AND IASB COMPLIANCE?

Designed to meet the needs of both real estate and equipment leases, Lucernex Lease Administration and Accounting allows you to mitigate risk, improve business processes and make better decisions for your business.

- Meet the new financial reporting requirements under ASC 842 & IFRS 16
- Accurately classify your leases as operating or finance using the FASB ASC 842 test
- Generate accurate accounting schedules from a solution that has been verified by an independent 3rd party accounting firm

"FASB compliance is our sole reason for using Lucernex. The significant amount of data requirements that go into the calculation would be most accurately stored in a system that will perform calculations and lease administration for you. Lucernex does a great job (thus far) of showing us how we are going to be able to utilize that data in the software."

– Bryan Kelly, Sr Financial Analyst, MSA, The Safety Company

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