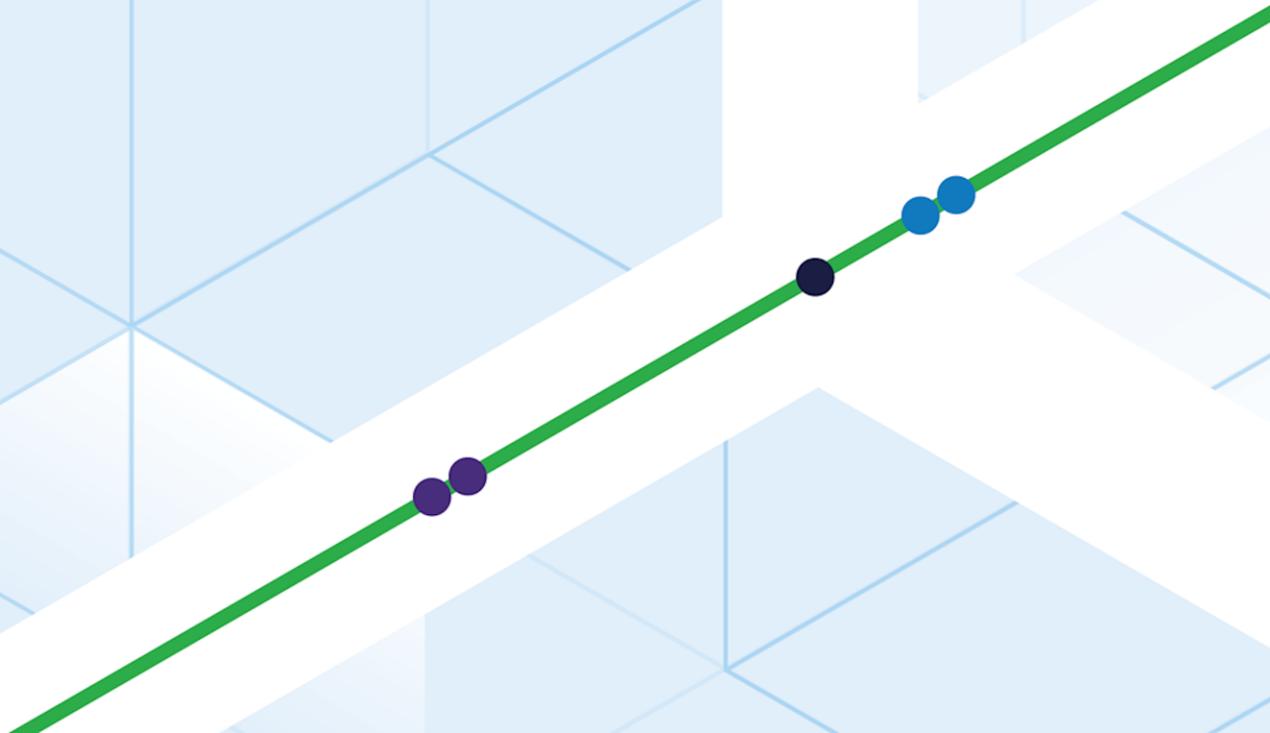




# Portfolio Management User Guide

LeaseAccelerator

Version 25.2



# Document Information

## Notices

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### Disclaimer

This guide is designed to help you to use the LeaseAccelerator applications effectively and efficiently. All data shown in graphics are provided as examples only. The example companies and calculations herein are fictitious. No association with any real company or organization is intended or should be inferred.



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# Portfolio Management

Once a deal has been booked, LeaseAccelerator automatically creates a Deal Summary for the lease.

Deal Summary captures the following:

- Lease Contract Details
- Asset Details
- Mid-term and End-of-Term Options and Obligations

Use the Deal Summary to manage adjustments to the lease after it has been booked.

## Deal Summary

The Deal Summary workspace includes the following tiles:

- Participants
- Details
- Terms
- Expenses
- Notifications
- Related Deals
- Summary

## Participants Tile

The **Participants** tile pre-populates with the Participants entered for upstream documents during the leasing process; for example, Schedule Participants or LVB Participants.



**Deal Summary**

Participants | Details | Terms | Expenses | Notifications | Related Deals | Summary

Make Changes Effective: [dropdown] [dropdown] [calendar icon]

**!** Backdated changes to any Asset Level or Allocation Level attribute on this screen that pre-date a previously recorded change to the same Participant will overwrite those values.

<b>BU:*</b>	Acme Business Solutions	+	▼
<b>Entity:</b>	Acme Communications Corporation	+	▼
<b>Tenant:*</b>	Acme, Inc.	+	
<b>Ship To:*</b>	New York [901 Freedom Plaza]	+	▼
<b>Geographic Area:*</b>	US	+	
<b>Analyst:</b>	Corinna Rost	+	▼
<b>Order Administrator:</b>	Harper Walls	+	
<b>Asset Owner:*</b>	Albert Coffee	+	
<b>Asset User:</b>	Anita Haupt	+	+
<b>Vendor:</b>	A1 Vending	+	+
<b>Landlord:*</b>	A1 Leasing	+	
<b>Treasury Approver:*</b>	Enola Turner	+	▼
<b>Sourcing Contact:</b>	Corinna Rost	+	
<b>LAS Staff:</b>		+	
<b>Reporting Area:</b>	Acme Arizona	+	
<b>Developer:</b>	Corinna Rost	+	

Click in selector to see suggested options.

**\*Required**

**Key Features Include:**

Adding Participants for certain role types such as Asset User or Vendor. To add a Participant, click the plus sign to the right of the field.

<b>Asset User:</b>	<input type="text"/>	+
	X Charleston Roesler	
<b>Vendor:</b>	<input type="text"/>	+
	X AZ Vendor	

Reveal linked Participants by click the filter icon to the right of the field. This will show you which Participants are linked to others and where one is dependent on another.

<b>BU:*</b>	Acme Business Solutions	⊗	▼
<b>Entity:</b>	Acme Communications Corporation	⊗	▼
<b>Tenant:*</b>	Acme, Inc.	⊗	▼
<b>Ship To:*</b>	New York [901 Freedom Plaza]	⊗	▼
<b>Geographic Area:*</b>	US	⊗	▼
<b>Analyst:</b>	Corinna Rost	⊗	▼
<b>Order Administrator:</b>	Harper Walls	⊗	
<b>Asset Owner:*</b>	Albert Coffee	⊗	
<b>Asset User:</b>	Anita Haupt	⊗	+
<b>Vendor:</b>	A1 Vending	⊗	+
<b>Landlord:*</b>	A1 Leasing	⊗	
<b>Treasury Approver:*</b>	Enola Turner	⊗	▼

Applying filters and showing available Participants by clicking the target icon and then selecting which filters to apply.

<b>BU:*</b>	Acme Business Solutions	⊗	<ul style="list-style-type: none"> <li>• Show active SBUs with filters applied</li> <li>Show all active SBUs (unfiltered)</li> <li>Show all SBUs, including OBSOLETE</li> </ul>
<b>Entity:</b>	Acme Communications Corporation	⊗	
<b>Tenant:*</b>	Acme, Inc.	⊗	

## Details Tile

The **Details** tile summarizes the asset information entered during schedule entry.

**Deal Summary**

Participants | **Details** | Terms | Expenses | Notifications | Related Deals | Summary

Deal Summary #: Acme 1  
 Currency: USD  
 Comments: Cap-Op Vanilla Lease

Deal Tags:  +

Deal Status: Active

Accounting Classification: Capital (ASC 840, ASC 842, IAS 17, IFRS 16) **Reclassify**

Reasonably Certain EOT Option: Return @ month 36; lessee must provide notice of intent to exercise at least 0 days before EOT; Lessee has the option to return the assets at end of lease.  
 Reasonably Certain Holding Period: 36

Ref Lessee PO #:  Vendor Ref #:   
 Purpose:   
 Lessor Reference #:

**Summary by Asset Type:**

Computers/Peripherals	\$350,000.00		
<b>Total Hard Costs:</b>	<b>\$350,000.00</b>	<b>Total Soft Costs:</b>	<b>0.00%</b>
	100.00%		
<b>Total Costs:</b>			<b>\$350,000.00</b>

Total Quoted Price: \$350,000.00  
 Down Payment:   
 Net Amount Financed: \$350,000.00

Acceptance Date:  Commencement Date: Jan 1 2019  
 Amount Funded:  Date Funded (Reported):

**Accounting Classification Analysis**

Summary of Tests

**All classification tests will be performed for all standards by default.**

ASC 840	IAS 17	ASC 842	IFRS 16
Materiality Threshold: No	Materiality Threshold: No	Materiality Threshold: No	Materiality Threshold: No
Short Term Lease: No	Short Term Lease: No	Short Term Lease: No	Short Term Lease: No
Cancellable: No	Cancellable: No	Cancellable: No	Cancellable: No
90% of Lease Payments: No	PV of Lease Payments: No	PV of Lease Payments: No	Ownership Transfer: No
75% of Economic Life: No	75% of Economic Life: No	Economic Life: No	Interrelated Assets: No
Ownership Transfer: No	Ownership Transfer: No	Ownership Transfer: No	Small Value: No
Bargain Purchase: No	Bargain Purchase: No	Likely Purchase: No	Classification: Finance
Classification: Operating	Specialized Assets: No	Specialized Assets: No	
	Classification: Operating	Classification: Capitalized-Operating	

Reclassify Effective: January 2020 (Commencement Date)

**Refresh Classification**

Classification results are displayed based on the last analysis performed and saved, this is what is used by the accounting engine and reports. If you would like to refresh the results click on the Refresh Classification button and then on the Save Accounting Classification button to apply refreshed classification to accounting calculations.

Analysis by Category

Deal Characteristics

**Save Accounting Classification**

It is from this tile that you can Reclassify a deal once booked. By clicking the **Reclassify** button you are directed to the Accounting Classification Analysis workspace.

From here you may override the automatic classification by selecting the standard you would like to override and choosing from the drop-down menu and inputting an override explanation. An Override Explanation is required to save any change in accounting classification. **Do not forget to input the reclassify effective date, and do not click the Refresh Classification button.**

### Accounting Classification Analysis

**Summary of Tests**

**⚠ All classification tests will be performed for all standards by default.**

<b>ASC 840</b>		<b>IAS 17</b>	
Materiality Threshold:	No	Materiality Threshold:	No
Short Term Lease:	No	Short Term Lease:	No
Cancellable:	No	Cancellable:	No
90% of Lease Payments:	No	PV of Lease Payments:	No
75% of Economic Life:	No	75% of Economic Life:	No
Ownership Transfer:	No	Ownership Transfer:	No
Bargain Purchase:	No	Bargain Purchase:	No
Classification:	<b>Capital</b>	Specialized Assets:	No
		Classification:	Operating

Override:  Override:

Override(s) Explanation:\*

**Override Explanation must be provided.**

**⚠ This will change the accounting classification of the transaction.**

You may also change details in the Analysis by Category section if the particulars of the schedule are different than the system generated results based on the configured Corporate Policy settings. This could result in reclassification of the lease.

▼ Analysis by Category

Lease Treatment	Category	Net Cost	Is Major Part of Economic Life?		Purchase Option		PV is Substantially All Value?		
Lease Component	Office Equipment	\$350,000.00	Yes	Contractual Term: 36 Expected Term: 36 Economic Life: 36 Contractual % of Economic Life: 100% Expected % of Economic Life: 100% Policy Threshold: 75%	<input type="checkbox"/> Bargain <input type="checkbox"/> Likely	Lease Terms: Not Set Bargain Purchase Threshold: 10% PV Reasonable Certainty Threshold: 10% PV	Yes	Contractual Lease Terms: 465.36% Expected Lease Terms: 465.36% Policy Threshold: 90%	

Lastly, you may change Deal Characteristics from the default settings as may be appropriate for the individual schedule. These changes may also result in reclassification of the lease.

▼ Deal Characteristics

Is the lease cancellable before end of term?

Is ownership guaranteed to transfer to lessee at end of term?

Are the assets specialized for lessee use?

Are the assets dependent on or interrelated with other leased assets?

Does the commencement date fall at or near the end of the economic life of the underlying asset?:

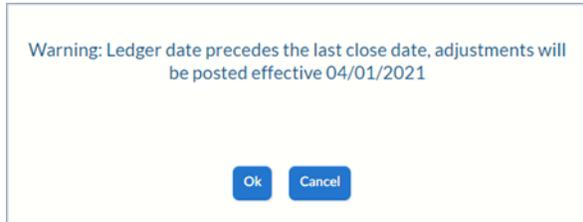
Land Only:

PV at Rate:

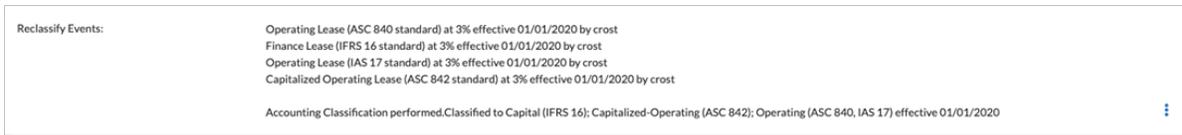
Expected Holding Period:  months

Contractual Guaranteed Residual Value (GRV):  USD

Once you have completed any edits/changes to the analysis, click the **Save Accounting Classification** button and the lease will be reclassified as of the Effective Date indicated. If this date is in a closed period, you will receive a pop-up notifying you when adjustments will be posted. Click **Ok**, and then you'll see notice that the Accounting Classification has been saved.



In Deal Summary, on the Summary tile, you will see any Reclassify Events listed. You will also see a kebab to the right of the event, which allows you to delete the accounting classification as necessary. If you delete all classifications, you will see *Not Yet Classified* in the Accounting Classification field in Deal Summary, no events in the *Reclassify Events* section, and a To Do and button for **Generate Accounting Classification** will reappear.



## Terms Tile

On the **Terms** tile, all required fields are pre-populated with the terms entered during schedule entry.

**Deal Summary**

Participants | Details | **Terms** | Expenses | Notifications | Related Deals | Summary

**Terms Taken From:** Lessor-provided Schedule   No file chosen

**Payment Based On:** Lease Rate Factor

**Lease Type:** True/Operating Lease (FMV)

**Periodic Payment Frequency:** Monthly **# of Monthly Payments:** 36

**Advance or Arrears:** Advance

**Down Payment:** 0

Enter LRF by Asset Type

**Blended LRF: (e.g. 0.034729)** 0.0123456

**Periodic Payment:** \$61,728.00

---

**Interim Rent:** No interim interest/rent

---

**Mid-Term/EOT Options:**

Buyout @ End of Term  
 Terms: Purchase of FMV  
 Comments: Lessee has option to purchase asset(s) at fair market value at end of term

Return @ End of Term(Reasonably Certain)  
 Comments: Lessee has option to return asset at end of term

Renewal @ End of Term at month 37  
 Terms: 12 payments of FMV  
 Comments: Lessee has option to renew for 12 months at end of term.

Impairment

Lessee must notify lessor of any material change in asset condition or location within  days

\*Required

## Terms Take From:

The **Terms Taken From** field specifies what document was used to enter the terms relevant to the deal being summarized. The following sections are available:

- Lessor-provided Schedule
- Vendor-provided Term Sheet
- Funder Rate Card
- Other

Funder Rate Cards are ordinarily used with lease lines and pre-populate the terms. (Contact LeaseAccelerator Equipment Lease Sourcing if you are a Sourcing customer and want to have a Funder Rate Card configured for your lease line.)

## Expenses Tile

On the **Expenses** tile, any related expenses that were populated during schedule entry will appear. You may add expenses through this workspace in the same manner. Please see the [User Guide to Entering a Lease \(Expense Tile\)](#) for more information on entering Related Expenses.

Deal Summary

Participants Details Terms **Expenses** Notifications Related Deals Summary

Record Expenses

Related Expenses

Type	Amount	Payable	Starting	Payee
LeaseIncentive:Paid to Lessee	\$1,000.00	Monthly	When Invoiced	Acme, Inc.
IDC:Commission	\$1,000.00	Monthly	When Invoiced	A1 Leasing

There are four types of expenses that automatically produce journal entries when entered on either the Expenses tile in the Schedule workspace or added after a deal has been booked on the Expenses tile in the Deal Summary workspace. Those expenses include:

- ARO-End of Life Cost
- Initial Direct Cost (IDC)
- Lease Incentive
- Security Deposit

Any other expense type entered as a Scheduled Related Expense, will not automatically produce journal entries. To see those entries, the expense must be invoiced or paid. Recording such an expense may be done either using a standalone import for Invoice Related Expenses or Paid Related Expenses, or through the user interface and the Capture Invoiced/Paid Expenses workspace.

## Notifications Tile

Use the **Notifications** tile to specify the internal alerts you want to receive as part of managing active lease transactions. You can set up notifications to remind you to take action on mid-term/end-of-term options. You can also use scheduled notifications to initiate internal workflow processes, such as planning for decommissioning and refresh of equipment, in order to return leased equipment in a timely manner. Notifications entered here will add to any global notifications created during configuration for this particular schedule.

Deal Summary

Participants Details Terms Expenses **Notifications** Related Deals Summary

Automatic Notifications:

Line #	Timing	Status	Recipients	Next Step	Deadline	Attachment(s)
1	90 days before notification deadline send once	Scheduled	Asset Owner	Asset Owner to Record end-of-term intentions for assets approaching end of term		Automatically-generated attachment
2	60 days before notification deadline every 2 Weeks until 30 days after first notification	Scheduled	Asset Owner	Asset Owner to Record end-of-term intentions for assets approaching end of term		Automatically-generated attachment
3	30 days before end of term every 4 Days until 30 days after first notification	Sent	Asset Owner, Order Administrator, Treasury Approver	Asset Owner to Record end-of-term intentions for assets approaching end of term	5 days	Automatically-generated attachment
4	120 days before notification deadline every 5 Days until 30 days after first notification	Scheduled	Asset Owner	Asset Owner to Record end-of-term intentions for assets approaching end of term		Automatically-generated attachment

Notifications can be related to any of several events:

- The start of the lease (for example, for reminders to perform post-booking administrative or clerical actions)

- The end of the lease
- The exercise window for a mid-term or end-of-term option

When configuring notifications for end-of-term related processes, you should base the timing of the notification on the notification deadlines as required by the Lessor in the Lease Schedule and your internal operational needs.

- You can configure notifications as either;
  - One-time emails (using the Once options)
  - Recurring emails that are sent daily, weekly, or monthly for a pre-defined period of time

Selected notification email recipients correspond with the participants listed on the Participants tile.

As the participants in a deal (as captured in the Deal Summary and Asset Management workspaces) change over time, any notifications sent are automatically sent to the new participants.

The Notifications tile also gives you the ability to have a To-Do automatically enqueued when the notification is first sent.

To specify that you want to enqueue a To-Do:

- Check the Enqueue box
- Choose from the drop-down the action you want a specified user to take

The participant for whom you want the To-Do enqueued is specified by the role selected from the drop-down that has been assigned from the Participants tile in the lease process.

**Note:** While notifications can be sent to multiple participants in the deal, you must select a single participant type as being responsible for the To-Do to be enqueued.

When enqueueing a To-Do associated with a notification, you can also specify the deadline by which the To-Do should be acted upon. Depending on your configuration, LeaseAccelerator can automatically send out escalation notices when an action deadline has been missed.

- Timing: Date Notification sent
- Deadline: Date by which you must take action

**Example:** With Timing set to 120 days before end-of-term, enqueueing a To-Do to Record end-of-term intentions for assets approaching end-of-term and Action required within 30 days, you will get a notification 120 days before the end of term and have 30 days to declare whether you intend to purchase, return or renew the assets for the deal. If you do not declare your intentions within 30 days, an escalation email will be sent.

Follow the steps below to set up an end-of-term notification:

Step	Action
1	Click the <b>plus sign</b> to add a new Notification.
2	In the <i>Timing</i> field, enter the number of days before the Notification deadline.
3	Select either <b>Before</b> or <b>After</b> from the drop-down.
4	Select <b>Commencement, End of Term or Notification deadline for</b> from the drop-down (this will determine when the first email is sent and that will auto-populate).
5	Check the boxes for the <i>Participants</i> you want to receive the notification email.
6	Indicate the frequency of the notification by selecting either <b>Once</b> or <b>Every</b> . When you select <b>Every</b> , you can choose Days, Weeks, or Monthly and also an until XX days after the first notification is sent.
7	Check <b>Enqueue a To-Do</b> and select appropriate option from the drop-down and select appropriate participant role.
8	Check <b>Action required</b> and populate days where appropriate.
9	Populate <b>Consequences of Inaction</b> where appropriate.
10	Populate information for the email message including Message Header and Message Footer. You may also select a predefined email template from the drop-down.
11	When all information is populated, click the <b>Add</b> button.
12	Be sure to navigate to the <b>Summary</b> tile and click <b>Save</b> at the bottom of that workspace to save any changes or additions to the deal.

## Related Deals Tile

Use the **Related Deals** tile to create or view deal relationships between two or more deals in LeaseAccelerator. Deal Relationships may be created for one of the following reasons:

- Has a coterminous relationship
- Has a non-coterminous relationship
- Is a rollover
- Is an upgrade
- Is a buyout
- Will be a new schedule for MLA
- Is takedown for lease line
- Has a modification relationship

Some of these relationships will be automatically created when a Modification is done to an existing lease. Please see the Deal Modifications section of this guide for more details.

**Deal Summary**

Participants   Details   Terms   Expenses   Notifications   **Related Deals**   Summary

**Related Deals**

Create a Deal Relationship

Find Eligible Deals   This deal

Effective Date:

Create Deal Relationship

---

Acme 3000-M001 has a modification relationship with Acme 3000 effective 06/01/2020

## Summary Tile

The **Summary** tile shows, in summary form, the details, terms and any notifications entered for a deal. It includes a table displaying the payment schedule as well.

### Deal Summary

Participants
Details
Terms
Expenses
Notifications
Related Deals
Summary

Deal Id: 34314

Transaction #: Acme 3

Booking/Ledger Date: April 2021

Commencement Date: 01/01/2019

Original Lease End Date: 12/31/2023

Effective Lease End Date: 12/31/2025

Status: Active

Accounting Classification: Capital (ASC 840, ASC 842, IAS 17, IFRS 16)

Reasonably Certain EOF Option: Return @ month 36, lessee must provide notice of intent to exercise at least 9 days before EOF. Lessee has the option to return the assets at end of lease.

Reasonably Certain Holding Period: 36

Lessee: Acme, Inc.

Funder: A1 Leasing

Ship To: 330 Acme Dr / Boston / VA / US / 20191

LedgerID: Acme 842

Deal Functional Currency: USD

Recalculate Accounting

**Comments:** Cap-Op/Vanilla Lease

---

**Facility Events:**

Finance Lease (IFRS 16 standard) at 7% effective 04/01/2021 by credit  
 Capital Lease (ASC 842 standard) at 7% effective 04/01/2021 by credit  
 Finance Lease (IAS 17 standard) at 7% effective 04/01/2021 by credit  
 Capital Lease (ASC 840 standard) at 7% effective 04/01/2021 by credit

Accounting Classification performed. Classified to Capital (ASC 840, ASC 842, IAS 17, IFRS 16) effective 04/01/2021

---

Finance Lease (IAS 17 standard) at 7% effective 01/01/2019 by credit  
 Finance Lease (IFRS 16 standard) at 7% effective 01/01/2019 by credit  
 Capital Lease (ASC 842 standard) at 7% effective 05/01/2019 by credit  
 Capital Lease (ASC 840 standard) at 7% effective 05/01/2019 by credit

Accounting Classification performed. Classified to Capital (ASC 840, ASC 842, IAS 17, IFRS 16) effective 01/01/2019

**Mid Term/EOF Events:** No Termination Events have been recorded for this deal.

**Payment Adjustment Events:** No Payment Adjustment Events have been recorded for this deal.

Item Code	Amount	Term
Net Debt	\$3,000,000	36 Monthly Payments in Advance
Net Cash	\$3,000,000	Monthly Fee (Fixed) Amount: \$30,000.00
Net Interest Payment	\$3,000,000	Total Interest Payment (Deal Cash): \$3,000,000

Each of the Purchase Option PMM  
 Includes 60% Option  
 Based on Deal Size  
 Term Purchase option  
 Comments: Lessee has the option to purchase the assets at EOF and if term.  
 Return @ End of Term (Reasonably Certain)  
 Comments: Lessee has the option to return the assets at end of lease.  
 Accounting Functional Currency: USD  
 Terms determined by credit (standard) or agreed  
 Comments: Lessee has the option to return the assets at end of lease.

**Payments Schedule:**

Item Code	Amount	Due Date	Amount
01/01/2019	\$3,000,000	01/01/2019	\$3,000,000
02/01/2019	\$3,000,000	02/01/2019	\$3,000,000
03/01/2019	\$3,000,000	03/01/2019	\$3,000,000
04/01/2019	\$3,000,000	04/01/2019	\$3,000,000
05/01/2019	\$3,000,000	05/01/2019	\$3,000,000
06/01/2019	\$3,000,000	06/01/2019	\$3,000,000
07/01/2019	\$3,000,000	07/01/2019	\$3,000,000
08/01/2019	\$3,000,000	08/01/2019	\$3,000,000
09/01/2019	\$3,000,000	09/01/2019	\$3,000,000
10/01/2019	\$3,000,000	10/01/2019	\$3,000,000
11/01/2019	\$3,000,000	11/01/2019	\$3,000,000
12/01/2019	\$3,000,000	12/01/2019	\$3,000,000
01/01/2020	\$3,000,000	01/01/2020	\$3,000,000
02/01/2020	\$3,000,000	02/01/2020	\$3,000,000
03/01/2020	\$3,000,000	03/01/2020	\$3,000,000
04/01/2020	\$3,000,000	04/01/2020	\$3,000,000
05/01/2020	\$3,000,000	05/01/2020	\$3,000,000
06/01/2020	\$3,000,000	06/01/2020	\$3,000,000

## Making Changes in Deal Summary

Changes made from Deal Summary can trigger adjustments to ensure consistency for elements of the deal. As a result, certain changes require an Effective Date to be identified. These include any changes to Participants on the Participants tile. The **Make Changes Effective** field by default is blank. If changes are made on the Participants tile and a date is not entered in this field, you will be prompted upon saving that you must enter a date.

Deal Summary

Participants Details Terms Expenses Notifications Related Deals Summary

**!** You are making a change to a Participant that requires you to supply an effective date of change.

Make Changes Effective:

**!** Backdated changes to any Asset Level or Allocation Level attribute on this screen that pre-date a previously recorded change to the same Participant will overwrite those values.

Changes to data on any other tile may result in an automatic rebooking of the deal and an automatically enqueued To-Do to regenerate the Accounting Classification Analysis. To follow best practice methods for error corrections and true changes or modifications to leases, please see the various user guides available: [User Guide to Error Corrections](#), [User Guide to Deal Changes](#), and [User Guide to Deal Modifications](#).

# Life Cycle Events

Many events may occur during the life of a lease. LeaseAccelerator has the ability to capture these events as they happen. These life cycle events may include:

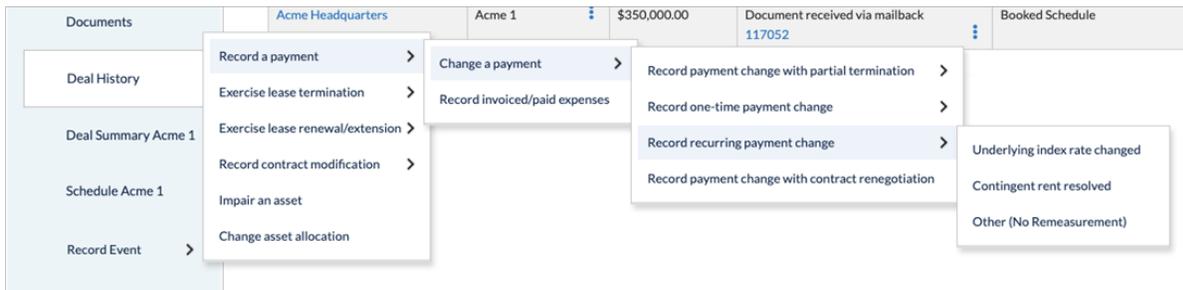
- Payment Adjustments
- Deal Modifications
- Impairments
- Related Expenses

## Payment Adjustments

**Payment Adjustments** may be captured for an existing deal two ways:

- Through the User Interface in Deal Summary
- Using the Bulk Import function

To capture a payment adjustment through the UI, search for a deal using the deal number and Top Search Bar. Once in the deal, hover over **Record Event** in the Left NavBar. Next hover over **Record a payment**, then **Change a payment**. From this layer of the menu, there are different options, depending on what the timing of the adjustment is and the reason for the adjustment. By selecting any of the options, you'll be taken to the Record Payment Adjustment Workspace and some fields will be pre-populated based on the selection in the Record Event menu.



**Record Payment Adjustment**

**Adjust Payment**

Apply to all payments on or after the adjustment date:

**Change payment amount, starting:\*** Jul 15 2022

**Scheduled Payment Amount:**

**New Payment Amount:\***  USD

**Reason For Change:\*** Underlying index rate changed

**Remeasurement Date (IFRS 16 only):\*** July 2022

Fiscal period in which the event occurs: Not Set

**Underlying Rate:**  %

**Previous Index Rate:**  %

**New Index Rate:\***  %

**Comments:**

\*Required

The reason code used determines if that lease will be remeasured or not when you make that adjustment. If you are expecting a remeasurement for ASC 842, the only time that will happen is when you have a recurring contingency resolved. All other types will not remeasure. For IFRS 16, remeasurement will occur when you have recurring payment adjustments for either a contingency resolved or a change in the underlying index.

This, along with the accounting standard, determines whether a remeasurement will occur.

Remeasurement?				
	IFRS16		ASC842 & GASB 87	
	Recurring	One-Time	Recurring	One-Time
Change in Underlying Index	✓	⊘	✗	⊘
Contingency Resolved	✓	✗	✓	✗
Other	✗*	✗	✗*	✗

**Note:** Never enter Change in Underlying Index as one-time, as that scenario would not exist.

\* This is non-GAAP and IFRS; customers should be careful when selecting this option.

Follow the steps below to record a payment adjustment:

Step	Action: Record Payment Adjustment
1	Search for deal using the Top Search Bar and Deal #.
2	Hover over the <b>Record Event</b> menu in the Left NavBar.
3	Hover over <b>Record a payment</b> , then <b>Change a payment</b> .

Step	Action: Record Payment Adjustment
4	Now hover either <b>Record one-time payment change</b> or <b>Record recurring payment change</b> .
5	Select either <b>Underlying index rate change</b> , <b>Contingent rent resolved</b> , or <b>Other</b> , as appropriate, and you will be taken to the Payment Adjustment workspace.
6	Within this workspace, some fields will pre-populate based on the selection you made in the Record Event cascading menu.
7	For <b>Change Payment starting on</b> , change the date from the current date to a valid payment date. You may refer to the payment schedule shown in the workspace to verify that you have indicated a valid payment date.
8	If you have indicated a valid payment date, the <b>Scheduled Payment Amount</b> will appear. If this is blank, check your date as it is not a valid payment date.
9	Next enter the new payment amount. Please note that this is not the change in payment but rather the entire new payment amount. LeaseAccelerator does support one-time negative payment adjustments. To do this, enter - before the amount.
10	If you selected a timing and reason that results in a remeasurement, you will see the <b>Remeasurement Date</b> where you can select the appropriate fiscal period.
11	When all appropriate fields have been populated, click the <b>Save Payment Adjustment</b> button.
12	The lease will be rebooked, and you will need to reload Deal Summary once the booking is complete to see the changed payment in the payment schedule.

To capture a payment adjustment using the Bulk import function, follow the below steps:

Step	Action: Bulk Import Payment Adjustments
1	Download the most recent Portfolio Intake Workbook (PIW) from Ask Alex or the Success Center.
2	Populate the Payment Adjustment tab. See below for an example.
3	Navigate to the Bulk Import workspace from the Left NavBar.
4	Select the Payment Adjustment tile.
5	Click <b>Choose File</b> and select your saved PIW.
6	Click <b>Validate</b> .
7	Review any validation messages and correct as necessary. Remember, yellow warnings will not prevent import but red errors will and those must be addressed before finalizing import.
8	Once all validation messages have been addressed, click <b>Import</b> to finalize.
9	Import was a success when you receive green dots next to the schedule numbers. You may click on any of the schedule numbers to review the deal in greater detail.

For more information on Payment Adjustments, please see the User Guide to Deal Changes.

## Deal Modifications

Often times Lessees renegotiate or change the lease terms and conditions which were not contemplated in the original lease agreement. These changes include:

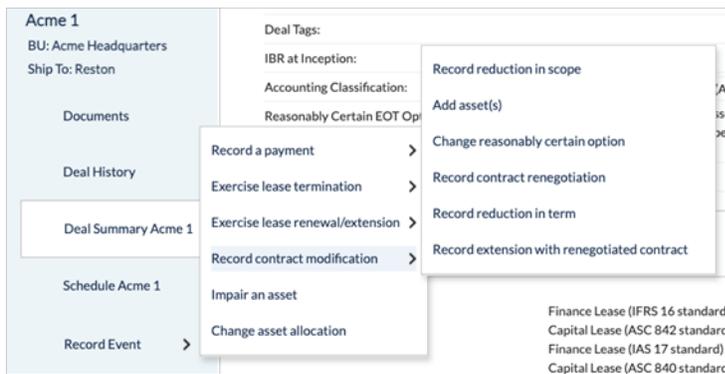


- Change in term (duration)
- Renegotiating payment (not a payment adjustment)
- Adding assets
- Removing assets or reduction in scope
- Changing the reasonably certain EOT option or holding period

LeaseAccelerator provides a way to capture modifications that change the aspects of the deal in ways that require a new deal to be created and have significant accounting implications.

**Note:** Modifications are contractual changes. Taking actions on an existing lease using existing options (such as a Mid-Term Return) or changes to Payments based on the existing terms of a lease are not Modifications. These types of occurrences are managed through Asset Management, Payment Adjustments, Record Asset Event or Deal Summary.

Modifications may be made to active, renewed or evergreen deals in LeaseAccelerator by selecting the appropriate option in the **Record Event** cascading menu.



For more information on specific modification scenarios and steps to perform a variety of different types of modifications, please see the *User Guide to Deal Modifications*.

## Terms Tile

The **Terms** tile outlines the existing terms and allows for renegotiated or modified terms to be entered. If your modification includes changes to any of the terms, populate this tile. Changes may include:

- Periodic Payment Frequency
- Repayment Mode
- Periodic Payment Amount
- Lease Rate Factor

- Duration
- RC EOT Options

**Modify Deal**

Terms
Add Assets
Remove/Reduce Assets
Summary

**Existing Terms:**

5 Monthly Payments in Advance  
 Monthly Fixed Payment Amount: \$50,000.00  
 Total Monthly Payments (Net of Taxes): \$50,000.00  
 End-of-Term Purchase Option: FMV  
 Mid-Term/EOT Options:  
 Buyout @ End of Term  
 Terms: Purchase of FMV  
 Comments: Lessee has the option to purchase the assets at FMV at end of lease.

Return @ End of Term(Reasonably Certain)  
 Comments: Lessee has the option to return the assets at end of lease.

Renewal @ End of Term at month 37  
 Terms: payments of FMV until terminated (Evergreen)  
 Comments: Lessee has the option to renew the assets and end of lease.

---

**Renegotiated (Modified) Terms:**

**Payment Based On:** Lease Rate Factor

**Lease Type:** True/Operating Lease (FMV)

**Periodic Payment Frequency:** Monthly
**# of Monthly Payments:** 5

**Advance or Arrears:** Advance

**Down Payment:** 0

Enter LRF by Asset Type

**Blended LRF: (e.g. 0.034729)** 0.1428571428

**Periodic Payment:** Payment Schedule Calculator

---

**Interim Rent:** No interim interest/rent

---

**Mid-Term/EOT Options:**
Mid-Term/End-of-Term Options
Remove All Options

Buyout @ End of Term  
 Terms: Purchase of FMV  
 Comments: Lessee has the option to purchase the assets at FMV at end of lease.

Return @ End of Term(Reasonably Certain)  
 Comments: Lessee has the option to return the assets at end of lease.

Renewal @ End of Term at month 37  
 Terms: payments of FMV until terminated (Evergreen)  
 Comments: Lessee has the option to renew the assets and end of lease.

## Add Assets Tile

If the modification is due to adding new assets (i.e. taking new space in a leased building) during the term of a lease, you can use this tile to modify the deal by adding those assets. By clicking the plus sign, you can enter asset details in the pop-up.

**Note:** If the only modification you are performing is to add asset(s), the resulting deal will have a -A001 designation and will be coterminous with the original deal.

Modify Deal

Terms **Add Assets** Remove/Reduce Assets Summary

Assets Being Added:

Assets will be available on: Aug 1 2021

Line #	Description	Category	Cost Center	GL Code (Coding Convention)	Quantity	Unit Price	Value
Total							

**Product Category:** Agriculture and Forestry  Sale/Leaseback

**Product Number:** 0

**Manufacturer:**

**Description:**

**Cost Center:**  **GL Code (Coding Convention):**

**Quantity:** 1

**Unit Price ():**  **Total Price ():** 0.00

**Unit Rent ():**  **Total Rent ():** 0.00

**Standalone Observable Price ():**  **Total FMV ():** 0.00

Lease terms are based on utilization

**Required**

**Add**

## Remove/Reduce Assets Tile

Likewise, if the modification requires that assets are removed or leased space is reduced, you can make those modifications using the **Remove/Reduce Assets** tile.

### Modify Deal

Terms
Add Assets
Remove/Reduce Assets
Summary

**Group Assets By:**

Schedule #

---

Show Active assets

- Assets
- Acme 1 (1)
  - 7385-M43 Xeon Server [Asset # 536210]

**Summary of Selected Assets and Cost Allocation:**

0 active, 0 terminated, 0 disposed selected

0 assets selected, with an aggregate cost basis of

Percent	Cost Center	GL Code (Coding Convention)

---

**Asset Event:**

Comments :

**Percent Reduction :**

Required

Reduce Scope

%

## Summary Tile

The **Summary** tile shows lease details **Before Modification** and **After Modification** to illustrate the effect of any changes. Before recording the modification, verify that all the data is accurate. Once you've verified all data and input necessary RCHP, indicate the **Date of Modification**, which will be the Lease Start Date of the new modified deal. Click **Record Modification** to submit the changes and create the modified deal.

**Modify Deal**

Terms   Add Assets   Remove/Reduce Assets   **Summary**

---

**Before Modification:**

Terms: 5 Monthly Payments In Advance  
 Monthly Fixed Payment Amount: \$50,000.00  
 Total Monthly Payments (Net of Taxes): \$50,000.00  
 End-of-Term Purchase Option: FMV  
 Mid-Term/EOT Options:  
 Buyout @ End of Term  
 Terms: Purchase of FMV  
 Comments: Lessee has the option to purchase the assets at FMV at end of lease.

Return @ End of Term (Reasonably-Certain)  
 Comments: Lessee has the option to return the assets at end of lease.

Renewal @ End of Term at month 37  
 Terms: payments of FMV until terminated (Evergreen)  
 Comments: Lessee has the option to renew the assets and end of lease.

IER: 7 %

Reasonably Certain EOT Option: Return @ month 36; lessee must provide notice of intent to exercise at least 0 days before EOT; Lessee has the option to return the assets at end of lease.

Reasonably Certain Holding Period: 36

Estimated Guaranteed Residual Value (GRV): USD

**After Modification:**

Terms: 5 Monthly Payments In Advance  
 Monthly Fixed Payment Amount: \$50,000.00  
 Total Monthly Payments (Net of Taxes): \$50,000.00  
 End-of-Term Purchase Option: FMV  
 Mid-Term/EOT Options:  
 Buyout @ End of Term  
 Terms: Purchase of FMV  
 Comments: Lessee has the option to purchase the assets at FMV at end of lease.

Return @ End of Term (Reasonably-Certain)  
 Comments: Lessee has the option to return the assets at end of lease.

Renewal @ End of Term at month 37  
 Terms: payments of FMV until terminated (Evergreen)  
 Comments: Lessee has the option to renew the assets and end of lease.

IER:  %

Reasonably Certain EOT Option:

Reasonably Certain Holding Period:

Estimated Guaranteed Residual Value (GRV):  USD

---

**Assets Removed/Reduced Effective 06/12/2021:**

Line #	Description	Category	Cost Center	GL Code (Coding Convention)	Quantity	Unit Price	Value
Total Price:							

---

**Assets Added Effective 8/1/2021:**

Line #	Description	Category	Cost Center	GL Code (Coding Convention)	Quantity	Unit Price	Value
Total Price:							

---

Date of modification:

Comments:

Once the modification has been recorded, a new deal will be created. The original deal will not terminate until the new, modified deal has been classified and booked.

A new Schedule will be created reflecting the modifications to this deal. This deal, under its current terms, will continue to be reflected on reporting until the new Schedule is classified and booked

You will then be prompted to perform an accounting classification for the new deal.

**Accounting Classification Analysis**

Summary of Tests

**All classification tests will be performed for all standards by default.**

ASC 840		IAS 17		ASC 842		IFRS 16	
Materiality Threshold:	No	Materiality Threshold:	No	Materiality Threshold:	No	Materiality Threshold:	No
Short Term Lease:	No	Short Term Lease:	No	Short Term Lease:	No	Short Term Lease:	No
Cancellable:	No	Cancellable:	No	Cancellable:	No	Cancellable:	No
90% of Lease Payments:	No	PV of Lease Payments:	No	PV of Lease Payments:	No	Ownership Transfer:	No
75% of Economic Life:	No	75% of Economic Life:	No	Economic Life:	No	Interrelated Assets:	No
Ownership Transfer:	No	Ownership Transfer:	No	Ownership Transfer:	No	Small Value:	No
Bargain Purchase:	No	Bargain Purchase:	No	Likely Purchase:	No	Classification:	Finance
Classification:	Operating	Specialized Assets:	No	Specialized Assets:	No		
		Classification:	Operating	Classification:	Capitalized- Operating		

Reclassify Effective: January 2020 (Commencement Date)

Refresh Classification

Classification results are displayed based on the last analysis performed and saved, this is what is used by the accounting engine and reports. If you would like to refresh the results click on the Refresh Classification button and then on the Save Accounting Classification button to apply refreshed classification to accounting calculations.

Analysis by Category

Deal Characteristics

Save Accounting Classification

Next you will need to book the new deal. Within the Deal History workspace, on the Next Steps tile, you'll see a To-Do to **Book** the modified deal.

**Deal History**

Next Steps | History | Documents | E-mails | Q & A | Related Deals

Add To-Do

Event Type:

Label Button As:

Description:

For:

Participant Role:

Assign To:

Save

BU	Lease Schedule #	Value	Affected Document	Status	Pending Actions	Responsible Party
Acme Headquarters	Acme 512-M001	\$700,000.00	Lease Schedule Acme 512-M001	Waiting for Lessor to provide Schedule	<b>Book</b>	Order Administrator

Click the **Book** button and populate appropriate fields in the Book Deal workspace.

**Note:** When booking the modified deal, be sure to book to the same ledgers as the original deal.

Your new deal is now booked and the modification has been captured. A deal relationship will be created between the newly modified deal and the original deal. This deal relationship may be viewed in both Deal History and Deal Summary workspaces on the Related Deals tile.

For more information about Deal Modifications, please see the [User Guide to Deal Modifications](#), available in Ask Alex or the Success Center.

# Impairments

Per FASB guidance, long-lived assets and certain identifiable intangibles held and used by an entity are to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an impairment is appropriate, you can record either a full or partial impairment on one or more assets in the user interface using the Record Asset Event workspace.

**Record Asset Event**

**Group Assets By:**

Schedule #

---

Assets **Summary of Selected Assets and Cost Allocation:**

Acme 1 (1) 1 active, 0 terminated, 0 disposed selected i

1 assets selected, with an aggregate cost basis of \$350,000.00

Percent	Cost Center	GL Code (Coding Convention)
100.00%	Acme03	IT

---

1 asset selected for Impairment  
Current payment: \$50,000.00

---

**Asset Event:**

**Impairment Date:**    i

**Ledger Date:**  or later  
Fiscal period in which the postdated event is being recorded

**Comments:**

**Impairment Amount:**  USD i

**Required**

Follow the steps below to record an Impairment:

Step	Action: Record Asset Event
1	Search for the deal using the Top Search Bar and Deal #.
2	Hover over <b>Record Event</b> in the Left NavBar and select <b>Record asset impairment</b> from the first menu layer.

Step	Action: Record Asset Event
3	This will take you to the Record Asset Event workspace where all assets are checked by default. You can uncheck any assets as necessary.
4	Impairment is pre-populated in the Asset Event drop-down.
5	Change Ledger Date to appropriate date.
6	Change Impairment Date to appropriate date. This should be the last day of the fiscal month before the impairment takes effect or the first day of the fiscal month in which you want impairment to take effect.
7	Enter any relevant comments related to the impairment.
8	Enter the impairment amount. The impairment amount must be less than or equal to the net book value of the selected asset. If it is greater, you will get a pop-up warning indicating the maximum value that may be used.
9	Click <b>Save</b> .

For more information on Impairments, please see our *User Guide to Impairments*, available in Ask Alex and the Success Center.

## Impairment Loss Reversal

According to ASC 840 and ASC 842, once an asset is impaired, it will always be impaired and cannot be reversed. However, under IAS 17 or IFRS 16, you may reverse an impairment after you have reviewed and tested the asset in much the same way as when you initially impaired it.

You may reverse an asset impairment loss in the user interface within the Record Asset Event workspace.

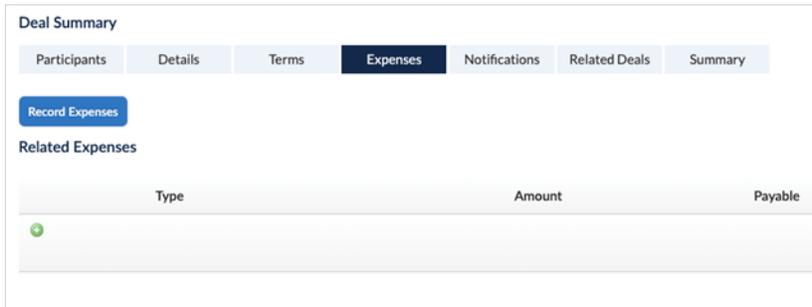
**Follow the steps below to record an Impairment Loss Reversal:**

Step	Action: Record Asset Event
1	Search for the deal using the Top Search Bar and Deal #.
2	Hover over Record Event in the Left NavBar and select <b>Reverse asset impairment loss</b> from the first menu layer.
3	This will take you to the Record Asset Event workspace where none of the assets are checked by default. Any impaired assets will be indicated. You may only check one asset at a time.
4	<i>Impairment Loss Reversal</i> is pre-populated in the Asset Event drop-down.
5	Change <i>Impairment Loss Reversal Date</i> to appropriate date.
6	Verify the <i>Ledger Date</i> , change as necessary. This drop-down is limited by the Impairment Loss Reversal Date and open periods.
7	Enter any relevant comments related to the impairment loss reversal.
8	Enter the Impairment Loss Reversal Amount.  <i>Note: It is up to the customer to determine the maximum impairment loss reversal amount, LeaseAccelerator does not calculate this or alert you if you enter an amount greater than the maximum allowed.</i>
9	Click <b>Save</b> .

For more information on Impairments, please see our [User Guide to Impairments](#), available in Ask Alex and the Success Center.

## Related Expenses

Ancillary expenditures that are required by the lease agreement or that have a direct impact on the accounting for a lease and are incremental to the base rent must be invoiced and/or paid before subsequent entries will be recorded. You may get to the Capture Invoiced/Paid Expenses workspace either from the Expenses tile in Deal Summary and clicking the Record Expenses button or by hovering over **Record Event** in the Left NavBar and **Record a payment**, then selecting **Record invoice/paid expense**.



**Capture Invoiced/Paid Expenses**

Invoiced Expenses Paid Expenses

**Scheduled Expenses**

Type	Amount	Payable	Starting	Payee
LeaseIncentive:Paid to Lessee	\$1,000.00	Monthly	When Invoiced	Acme, Inc.
IDC:Commission	\$1,000.00	Monthly	When Invoiced	A1 Leasing

**Invoice History**

Date	Amount	Payee	ExpenseType
------	--------	-------	-------------

**Enter Invoiced/Paid Expenses**

**Type:** ARO-End of Life Cost **Last Paid:** \_\_\_\_\_

**ARO Type:** Cost to Dismantle or Remove (per Agreement) **Last Amount:** \_\_\_\_\_

**Description:**  **% Increase:** \_\_\_\_\_

**Payee:** \_\_\_\_\_ **Comments:**

**Service Period Start:** Aug 12 2021

**Service Period End:** \_\_\_\_\_

**Date Paid:** Aug 12 2021

**Currency:** United States dollar (USD)

**Amount:** \_\_\_\_\_

**Paid/Received:** Paid

**Invoice#:** \_\_\_\_\_

**Invoice Date:** \_\_\_\_\_

**Invoice Amount:** \_\_\_\_\_

**Reference #:** \_\_\_\_\_

**Applicable To:** All Assets

**Required**

Save

## Invoiced Expenses Tile

Any expenses that were entered either during schedule entry or from the Expenses tile in Deal Summary will appear on this tile under the Scheduled Expenses. If there have already been expenses that have been invoiced, either through this workspace or by using a bulk import for Invoiced Related Expenses, they will appear in the Invoice History section.

**Scheduled Expenses**

Type	Amount	Payable	Starting	Payee
LeaseIncentive:Paid to Lessee	\$15,000.00	One-Time	When Invoiced	Acme, Inc.
CAMS:Garage/Parking	As Invoiced	Monthly	When Invoiced	Rost Leasing, Inc.

**Invoice History**

Date	Amount	Payee	ExpenseType
01/25/2021	\$450.00	A1 Vending	CAMS:Custodial

To add a new invoice, you may select one of the Scheduled Expenses and fields in the **Enter Invoiced/Paid Expenses** section will auto-populate based on that expense. If you are entering an invoiced expense that isn't listed in the Scheduled Expenses section, you may still enter the invoiced expense information manually.

Enter Invoiced/Paid Expenses

Type: Common Area Maintenance and Services (CAMs) Last Paid: 01/01/2021  
 CAMS Type: Garage/Parking Last Amount: 500.00  
 Description: 250 Spaces % Increase:   
 Comments: Parking Space Fees  
 Payee: Rost Leasing, Inc.  
 Service Period Start: Jan 1 2021  
 Service Period End:   
 Date Paid: Jan 25 2021  
 Currency: United States dollar (USD)  
 Amount:   
 Paid/Received: Paid  
 Invoice#:   
 Invoice Date:   
 Invoice Amount: 500.00  
 Reference #:   
 Applicable To: All Assets

Required  
 Save

Once complete, click **Save**. The expense will appear in Invoice History if this is an invoiced expense that hasn't been paid yet. If it has been paid, then it will appear on the Paid Expense tile.

## Paid Expenses Tile

Any expenses that have been paid will appear in the Payment History section on the Paid Expenses tile. This includes any expenses paid using the user interface or the bulk import for Paid Related Expenses.

Capture Invoiced/Paid Expenses

Invoiced Expenses Paid Expenses

Payment History

Date	Amount	Payee	ExpenseType
 02/01/2021	\$1,000.00	A1 Leasing	IDC:Commission

If an expense was paid by mistake or you need to delete a payment in an open period, you may click the trash can icon to delete the expense. If no trash can icon appears, then that expense was paid in a closed period and cannot be deleted.

# Version Summary

Version	Changes/ Updates	Date
21R1	Created Version Summary Revised to include enhancements to UI including Asset Management Added sections for Impairments and Related Expenses	01/27/2021
21R1.1	Updated screenshots	04/19/2021
21R3	Updated screenshots, removed Asset Mgmt to put in separate guide, updated references to other user guides, updated steps to incorporate Record Event cascading menu.	08/12/2021
22R1	Updated verbiage.	01/05/2022
22R3	Updated verbiage and screenshots for classification.	07/15/2022
23R2	Updated label for Record asset impairment in Record Event cascading menu.	05/12/2023