



Generic Accounts User Guide

LeaseAccelerator

Version 26.2.1



Document Information

Notices

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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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Generic Accounts

The following table is a list of LeaseAccelerator generic accounts with a description of each.

Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Asset	Accumulated Depreciation - Finance Lease	Non-Monetary	Credit	Reflects the cumulative depreciation, balance, from the beginning of the lease to a given point in time. This is a component of the net book value of the ROU Asset. For Finance Leases (or Capital Leases.)
Asset	Accumulated Depreciation - Operating Lease	Non-Monetary	Credit	Reflects the cumulative imputed depreciation balance, from the beginning of the lease to a given point in time. This is a component of the net book value of the ROU Asset. For Capitalized-Operating leases
Asset	Accumulated Depreciation - Step Payment Timing Adjustment Operating Lease	Non-Monetary	Debit/Credit	Reflects the timing difference between the monthly straight-line expense and the actual monthly payment amount. Similar to a Deferred Rent Account used for accounting for off balance sheet leases. Adjusts the Net Book Value of the ROU Asset rather than creating a standalone account on the balance sheet. Will zero out over the course of the lease term. For Capitalized-Operating leases ⁱ .
Asset	Allowance for Leased Asset Impairment - Finance Lease	Non-Monetary	Credit	Reflects the amount of impairment in the value of a Finance lease asset when an asset impairment has been recorded.
Asset	Allowance for Leased Asset Impairment - Operating Lease	Non-Monetary	Credit	Reflects the amount of impairment in the value of a Capitalized-Operating lease asset when an asset impairment has been recorded.
Asset	ARO Accumulated Amortization	Non-Monetary	Credit	Reflects the cumulative ARO amortization balance, from the beginning of the lease to a given point in time.

Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Asset	ARO Asset	Non-Monetary	Debit	Reflects the initial value of the ARO ⁱⁱ Asset based on the Present Value of the estimated payment.
Asset	Cash	Monetary	Credit	This is intended as non-posting account that surfaces only when Accounts Payable integration is in place to relieve the Accounts Payable Clearing account.
Asset	Finance Lease Asset	Non-Monetary	Debit	Reflects the initial value of a ROU Asset for Finance Leases (or Capital Leases).
Asset	Intercompany Clearing	Monetary	Debit/Credit	This reflects the balance due from/to another deal level participant (typically Entity), generated as a result of a reallocation of a lease from one participant to another.
Asset	Lease Incentive Receivable	Monetary	Debit	Reflects the initial valuation at lease commencement of a Lease Incentive, which offsets the reduction to the ROU Asset for Finance or Capitalized-Operating leases ⁱ . For off balance sheet leases, it reflects the initial value of the Deferred Lease Incentive. At the date of receipt based on the contractual terms, amount is transferred to the NonTrade Receivable Clearing Account.
Asset	Non-Trade Receivable Clearing	Monetary	Debit	Used as a clearing account for actual receipts of miscellaneous items such as: Lease Incentives, returns of Security or Special Deposits or refunds of overpaid CAMS, Real Estate Taxes, Property Insurance, or Other Related Expenses. If integration with ERP Cash Posting is enabled, then this account is credited in the subledger; otherwise, this balance will remain on the subledger as a reconciling difference with the ERP General Ledger Account.

Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Asset	Operating Lease Asset	Non-Monetary	Debit	Reflects the initial value of a ROU Asset for Capitalized-Operating leases ¹ .
Asset	Prepaid IDC	Monetary	Debit	Reflects Initial Direct Costs when incurred on off balance sheet leases.
Asset	Prepaid Rent	Monetary	Debit	Reflects prepayments due between the Lease Start Date and Asset Available for Use Date, when the LSD precedes the AFUD.
Asset	Purchased Asset	Non-Monetary	Debit	Reflects the initial cost basis of owned equipment when purchased through a buyout option. This is a clearing account that should be transferred to fixed asset subledger.
Asset	Security Deposit	Monetary	Debit	Reflects the Security Deposit amount when initially due. Also accretes accrued Interest Income, if applicable, which is earned throughout the life of the Security Deposit. Security Deposits are typically held by the Landlord (or Lessor).
Asset	Special Deposit	Monetary	Debit	Reflects the Special Deposit amount when initially due. Also accretes accrued Interest Income, if applicable, which is earned throughout the life of the Special Deposit. Special Deposits are typically held by the Landlord (or Lessor).
Liabilities	Accounts Payable Clearing	Monetary	Credit	Reflects payments when due based on the contract terms or other related expense accruals. If integration with ERP Cash Posting is enabled, then this account is debited in the subledger; otherwise, this balance will remain on the subledger as a reconciling difference with the ERP General Ledger Account.
Liabilities	Accounts Payable Interim Rent	Monetary	Credit	Reflects Interim Rent payments when due based on the contract terms. Often the same natural account code as "Accounts Payable Clearing".



Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Liabilities	Accounts Payable Purchase Assets	Monetary	Credit	Reflects purchases of equipment or Real Estate at the time of the buyout. Often the same natural account code as "Accounts Payable Clearing".
Liabilities	Accounts Payable Termination Fees	Monetary	Credit	Reflects termination fees when cancelling a lease as prescribed by the contractual terms. Often the same natural account code as "Accounts Payable Clearing".
Liabilities	Accrued IDC	Monetary	Credit	Reflects the Initial Direct Cost amounts when incurred and either included in the ROU Asset for Finance or Capitalized-Operating leases ⁱ or as a Prepaid IDC for off balance sheet Operating leases. This account is relieved when the associated payment is recorded as a paid related expense.
Liabilities	Accrued Liability - CAMS/Other Related	Monetary	Credit	This account never carries a balance. It appears as an intermediary account between the expense and the payment when a paid related expense is recorded.
Liabilities	Accrued Liability - Variable Lease Expense	Monetary	Credit	This account never carries a balance. It appears as an intermediary account between the expense and the payment when a paid related expense is recorded.

Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Liabilities	ARO Liability	Monetary	Credit	An asset retirement obligation (ARO) ⁱⁱ is a legal or contractual obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, or normal operation of a long-lived asset. This account reflects the initial Present Value of Asset Retirement Obligation which is recorded at lease commencement/modification as a scheduled related expense based on an estimate. The interest accretion for this liability is also recorded to this account, so that the balance equals the estimated ARO at the end of the reasonably certain lease term.
Liabilities	Deferred Lease Incentive	Monetary	Debit	Reflects Lease Incentives accruals for off balance sheet leases at lease commencement date. The Deferred Lease Incentive is amortized over the life of the lease with the reduction to expense.
Liabilities	Deferred Rent	Monetary	Debit/Credit	Reflects the timing difference between the monthly straight-line expense and the actual payment amount for off balance sheet leases (including evergreen). Will zero out over the course of the lease term.
Liabilities	Finance Lease Obligation - ST	Monetary	Credit	Reflects the current/short-term portion of the Finance Lease Obligation. It is created via a reclass entry from long term liability at the end of each fiscal month for balance sheet presentation purposes, and then reversed out on the first day of the following fiscal month. It does not include accrued interest, because accrued interest is reflected in a separate account that is presumed to be short-term by definition.

Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Liabilities	Finance Lease Obligation - LT	Monetary	Credit	Reflects the total Lease Obligation for Finance leases, except at the month end when short-term portion is transferred to short-term obligation account.
Liabilities	Guaranteed Residual Liability	Monetary	Credit	<p>Reflects the initial Present Value of Estimated Guaranteed Residual Value (EGRV), which are included in return option when return is reasonably certain at the end of term.</p> <p>EGRV is the estimate of the expected payment to be made by the Lessee under the Residual Value Guarantee within the contract.</p> <p>The interest accretion for this liability is also reflected in this account.</p>
Liabilities	Interest Accrued	Monetary	Credit	Reflects the liability for periodic interest accrued during the fiscal period for finance leases. When the payment is due this account is relieved against the Accounts Payable Clearing account.
Liabilities	Operating Lease Obligation - LT	Monetary	Credit	Reflects the total lease obligation (including imputed interest accrued) for Capitalized-Operating leases ⁱ , except at the month end when the short-term portion is transferred to the short term obligation account.
Liabilities	Operating Lease Obligation - ST	Monetary	Credit	Reflects the current/short term portion of the Capitalized-Operating Lease Obligation, including accrued imputed interest due within the next 12 months. It is created via a reclass entry from long term liability at the end of each fiscal month for balance sheet presentation purposes, and then reversed out on the first day of the following fiscal month.



Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Liabilities	Purchase Option Liability	Monetary	Credit	Only applies to leases with a reasonably certain purchase option. It reflects the present value at lease commencement of the estimated purchase price at the end of the lease contract.
Equity	Retained Earnings	N/A	Credit	Not currently surfaced in journal entries, with the exception of the IFRS 16 Full Retrospective Asset Value Method of transition.
Expense	ARO Amortization Expense	N/A	Debit	Reflects the expense associated with amortizing the ARO ⁱⁱ Asset.
Expense	ARO Interest Expense	N/A	Debit	Interest accreted on the ARO ⁱⁱ liability.
Expense	CAMS Expense	N/A	Debit	Reflects Common Area Maintenance Expenses on real estate leases.
Expense	Depreciation Expense	N/A	Debit	Reflects depreciation expense for Finance Leases.
Expense	Fee or Expense on Return of Leased Asset	N/A	Debit	Not currently in use
Expense	Gain (Loss) on ARO	N/A	Debit/Credit	Reflects the difference between the book value of the ARO ⁱⁱ liability and the actual expense on termination. This account is also used as a clearing account in the event of a transition or a modification.
Expense	Gain (Loss) on Fx Remeasurement	N/A	Debit/Credit	Reporting ONLY. Journal Entries are posted in the Subledger ONLY for reporting purposes. These entries are NOT currently included in ANY ledger export. Reflects the gain or loss of Foreign Currency remeasurement from the transactional currency to the functional currency in the subledger to support reporting. Entries to this account are NOT exported for input to the ERP.



Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Expense	Gain (Loss) on FX Remeasurement-AP Clearing	N/A	Debit/Credit	Reporting ONLY. Journal Entries are posted in the Subledger ONLY for reporting purposes. These entries are NOT currently included in ANY ledger export. Reflects the gain or loss of Foreign Currency remeasurement of the payment related clearing accounts from the transactional currency to the functional currency in the subledger to support reporting. Entries to this account are NOT exported for input to the ERP.
Expense	Gain (Loss) on Modification	N/A	Debit/Credit	Reflects net gain or loss on modifications. Generally used as an intermediary account to transfer balances from original deal to the modified deal with no net impact, except for modifications to reduce scope.
Expense	Gain (Loss) on Return	N/A	Debit/Credit	Reflects net gain or loss on returns events prior to the end of the reasonably certain holding period.
Expense	Gain (Loss) on Termination	N/A	Debit/Credit	Not currently in use.
Expense	Gain (Loss) on Buyout	N/A	Debit/Credit	Reflects net gain or loss on buyouts.
Expense	Gain (Loss) on Reduction of Scope	N/A	Debit/Credit	Only applies on modifications involving reduction of scope. Example: Reduction in square footage.
Expense	IDC Expense	N/A	Debit	Reflects the amortization of Initial Direct Cost Expenses incurred over the life of the lease for off balance sheet leases.



Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Expense	Interest Expense	N/A	Debit	Reflects the interest expense for Finance Lease including the imputed interest on the payments and the interest accretion for any Purchase Option or Estimated Guaranteed Residual Value Liability. Interest Accretion for any ARO ⁱⁱ Liability is also included for all lease classifications.
Expense	Interim Rent Expense	N/A	Debit	Reflects Interim Rent for off balance sheet leases.
Expense	Late Fees	N/A	Debit	Reflects Late Fee expenses.
Expense	Lease Incentive Contra Expense	N/A	Credit	Reflects the amortization of Deferred Lease Incentives over the term for off balance sheet leases.
Expense	Lease Rental Expense	N/A	Debit	Represents a variety of components within a lease. It can be the imputed interest component of the single lease cost (straight line expense) for capitalized operating leases ⁱ . It can also be the variable expense on Capitalized-Operating leases. It can also represent the entire cost of off balance sheet leases.
Expense	Lease Rental Expense - CapOp Depreciation	N/A	Debit	Reflects the imputed Depreciation component and the Expense associated with any step payment timing adjustment for Capitalized-Operating leases ⁱ .
Expense	Leased Asset Impairment Expense - Finance Lease	N/A	Debit	Reflects the impairment expense for assets on a Finance lease.
Expense	Leased Asset Impairment Expense - Operating Lease	N/A	Debit	Reflects the impairment expense for assets on a Capitalized-Operating lease ⁱ .
Expense	Operating Expense	N/A	Debit	Reflects recurring expenses, return fees and early termination fees for Non-Lease agreements or lease that fall below configured materiality threshold.



Account Type	Generic Account Name	Monetary or Non-Monetary (where applicable)	Normal Balance Debit (Credit)	General Business Purpose
Expense	Other Related Expense	N/A	Debit	Reflects Other Related Expense.
Expense	Property Insurance Expense	N/A	Debit	Reflects Property Insurance Expense.
Expense	Real Estate Tax Expense	N/A	Debit	Reflects Real Estate Property Tax Expense.
Expense	Return/Early Termination Fee	N/A	Debit	Reflects return fees or termination fees recorded with a return event, unless the fee was recognized at lease inception (ARO ⁱⁱ /GRV).
Income	Non-Trade Interest Income	N/A	Credit	Reflects interest income accretion of Interest bearing Security and Special Deposits.

- i. Capitalized-Operating leases are on balance sheet leases.
- ii. Asset Retirement Obligation – a legal or contractual obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, or normal operation of a long-lived asset. Also see [Product Advisory - Asset Retirement Obligations \(ARO\) Disclosure Report](#).

Version Summary

Version	Changes/Updates	Date
22R1	Created Version Summary and added missing accounts	01/05/2022

