LEASE ACCOUNTING SCAVENGER HUNT

15 PLACES TO LOOK FOR YOUR LEASES

THE CLUES

1. REAL ESTATE LEASE ADMINISTRATION SYSTEM

Used to manage real estate assets throughout their lifecycle from space planning and new construction to building maintenance and property management. Offers clues to what office space, retail stores, data centers, research labs, manufacturing plants and call centers you might be leasing.

2. IT ASSET MANAGEMENT APPLICATION

Used to manage IT assets throughout their lifecycle from installation and configuration to decommissioning and disposal. Offers clues to what IT equipment such as desktops, laptops, tablets, printers, servers, routers, switches, racks and storage devices you might be leasing.

3. FLEET MANAGEMENT SYSTEM

Used to manage vehicles throughout their lifecycle. Enables fleet managers to track vehicle configurations, scheduled maintenance and warranty claims. Offers clues to what corporate cars, commercial vans, and light duty trucks and other vehicles you might be leasing.

4. REAL ESTATE MANAGEMENT FIRMS

Assumes responsibility for managing corporate real estate assets on an outsourced basis. These real estate management firms can handle everything from workplace design and occupancy planning to lease administration and building management. May offer data, reports or contracts for leases for properties such as office buildings, retail stores, data centers, research labs, manufacturing plants and call centers.

5. IT OUTSOURCING

Assumes responsibility for day-to-day management of key IT functions including end-user desktops, local area networks, business applications and corporate data centers. May offer data and reports about embedded or traditional leases of desktops, laptops, tablets, printers, servers, routers, switches, race and storage devices.

6. FINANCE AND ACCOUNTING BPO

Assumes responsibility for functions procure-to-pay, order-to-cash and record-to-report on an outsourced basis. Touches leases while generating purchase orders, processing invoices and booking accounting transactions. May offer data and reports about your lease portfolio.

7. PROCUREMENT SYSTEM

Used to manage the procure-to-pay processes for all corporate spend. Enables buyers to seek competitive bids; select vendors and generate purchase orders. Historical purchase orders offer clues to what real estate, IT, fleet, material handling and other equipment assets your business might be leasing.

8. ACCOUNTS PAYABLE SYSTEM

Used to manage the lifecycle of payables from invoice capture and validation to payment authorization and record keeping. Recurring payments processed through the AP system offer clues to what real estate, IT, fleet, material handling and other equipment assets your business might be leasing.

9. FINANCIAL REPORTING

Used to calculate on-balance sheet capital lease obligations and operating lease note disclosures under the current standard. Track the daisy chain of spreadsheets back to their sources and you will find clues to what assets are being leased by different business units and geographic regions.

10. CORPORATE TREASURY

As the owners of the balance sheet and corporate debt strategies, the treasury organization often plays a pivotal role in leasing programs. Spreadsheets or records in Treasury Management Systems may contain clues to what assets your business might be leasing.

THE SOURCES

11. LEASE ADMINISTRATION TEAM

Centralized team that tracks leases from the upfront booking and contracting process to end of term renewals and buyouts. Lease Administration is often a great source for copies of Master Lease Agreements, schedules and supporting documentation.

12. CONTRACT MANAGEMENT SYSTEM

Used to manage the contract lifecycle. Tracks versions of contracts from the first draft to end of term renewals in a centralized document repository. The Contract Management System is often a great source for copies of Master Lease Agreements and schedules. It also retains service and outsourcing contracts that may contain embedded leases.

13. REAL ESTATE LANDLORDS

The original sources of property leases. Use the clues you gained from real estate administration systems, management firms and procurement systems to identify your landlords. Then request copies of all Master Lease Agreements, schedules and related contractual documentation.

14. EQUIPMENT LEASING COMPANIES

The original source of IT, fleet, material handling and other types of equipment leases. Use the clues you gained from lease administration, accounts payable and electronic procurement systems to identify the commercial banks, vendor captive and independent lessors financing your assets. Then request copies of all Master Lease Agreements and schedules.

15. CORPORATE IT

As the owners of business applications and stewards of corporate data, the IT organization can assist in your mission to identify any copies of lease contracts that exist. Using electronic discovery technologies corporate IT can search through enterprise content management systems, networked file shares and end-user desktops for documents that might be leases.