

# Preparing for the New Lease Accounting Standard

The new Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) lease accounting standards will affect any entity that enters into a lease. Virtually all companies will need to consider the effect of the standard on their accounting policies, procedures, controls, and systems – which could be substantial.

## Typical Areas of Impact

- Operating leases that must be recognized on the balance sheet
- Debt covenants based on certain financial statement metrics

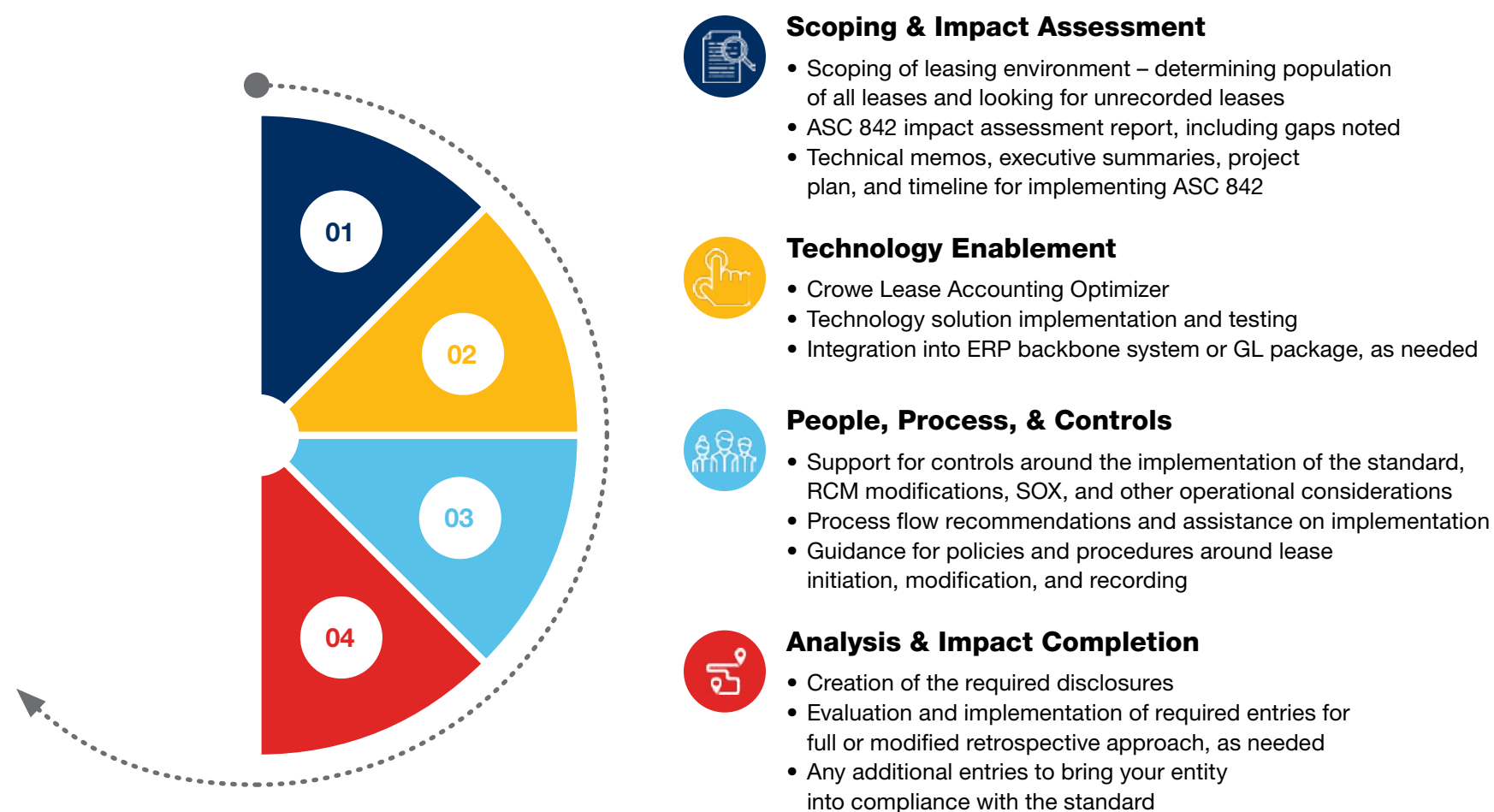
## Crowe Lease Accounting Optimizer

The Crowe Lease Accounting Optimizer can help you comply with the new standards and optimize your lease accounting processes. Companies need to prepare now to minimize the impact and take full advantage of process optimization opportunities.



- Perform instant cash flow and lease analysis
- Automate lease accounting processes
- Increase lease payment efficiency
- Take advantage of built-in audit controls and traceability

## Crowe Can Help – Anywhere Along the Way



The Crowe Lease Accounting Framework

1

**Understand the New Standard**  
The new standard's requirement to recognize operating leases on the balance sheet will significantly affect many companies. The changes will have an impact not only on accounting policies but on the systems used to manage leases.

2

**Gather Information**  
Obtain an understanding of current and in-process lease agreements as well as relevant policies, procedures, data, and systems involved.

3

**Evaluate Impact**  
Establish a cross-functional team, inclusive of accounting, tax, purchasing, IT, and legal, to evaluate the impact across the entire organization.

4

**Select Transition Approach**  
Significant planning should go into the selection of a transition approach and required system enhancements.

5

**Design Solution**  
Based upon magnitude of impact, develop a project plan and timeline, and secure necessary resources to meet the effective date.

6

**Implement and Monitor**  
Execute the project plan, monitor status, and communicate with relevant stakeholders.



**Learn More**  
To learn more about how Crowe can help you, please contact:

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