

# AUTOMATING LEASE ACCOUNTING IN NETSUITE USING NETLEASE



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# Introductions

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# Agenda

**The New Standard**



**The RSM Process**



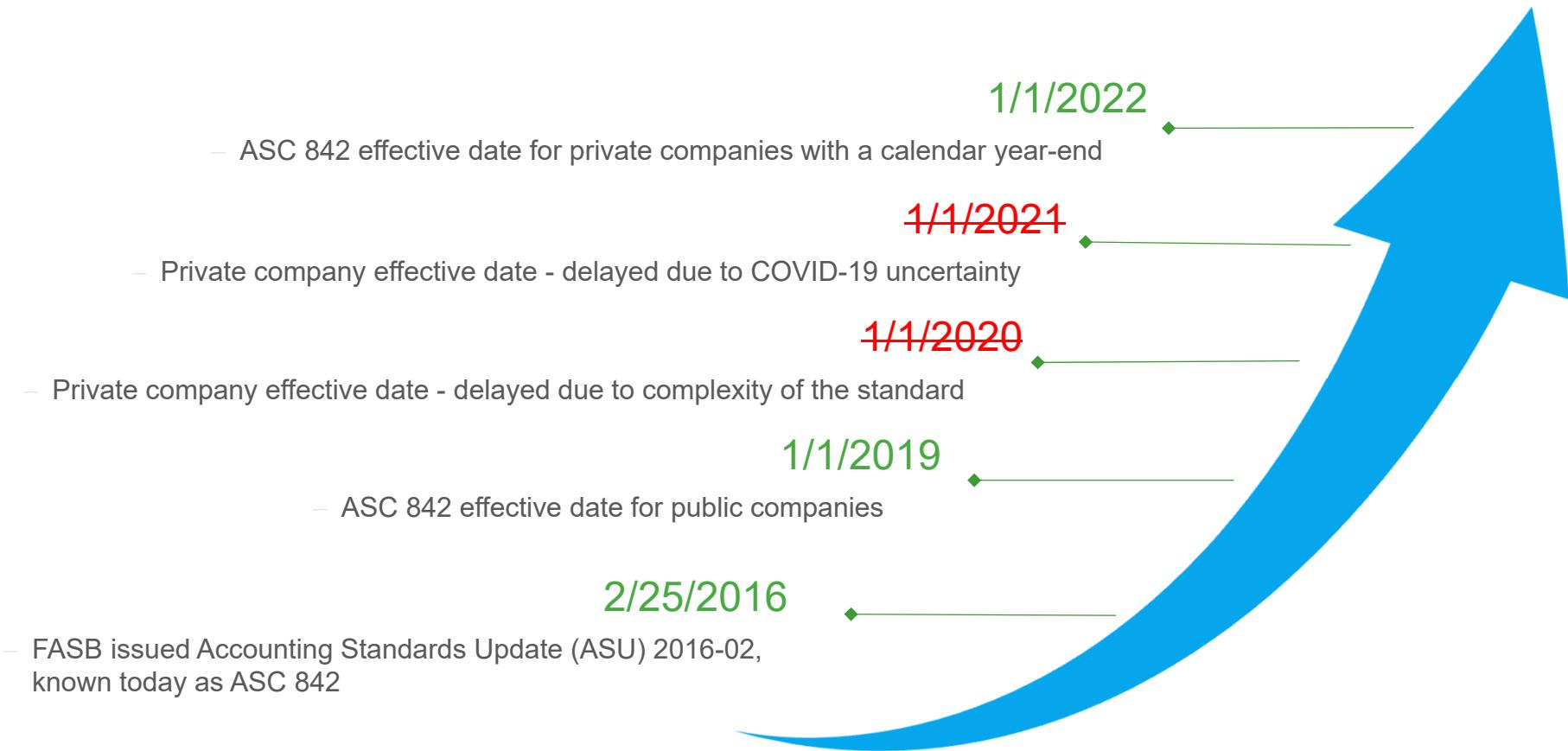
**NetLease Demo**



**Questions & Answers**

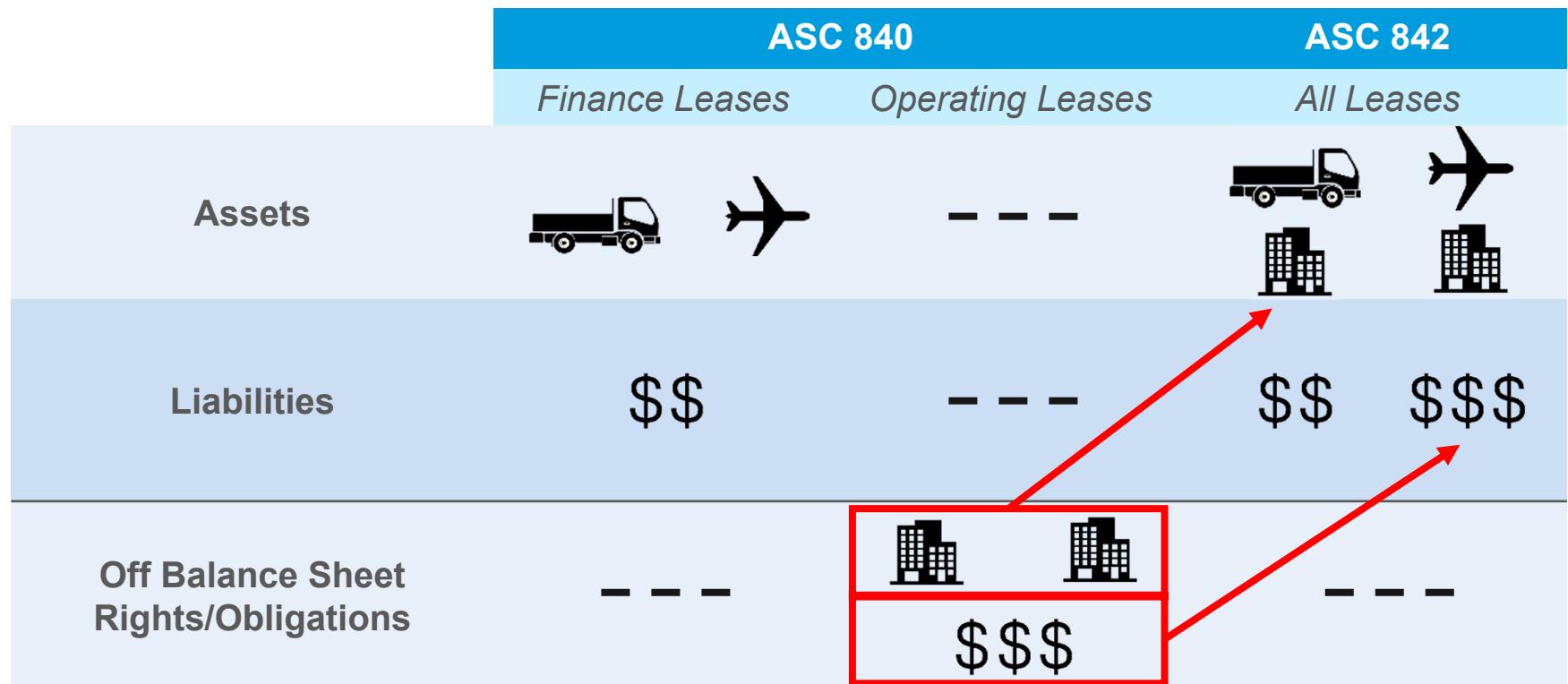


# The new standard

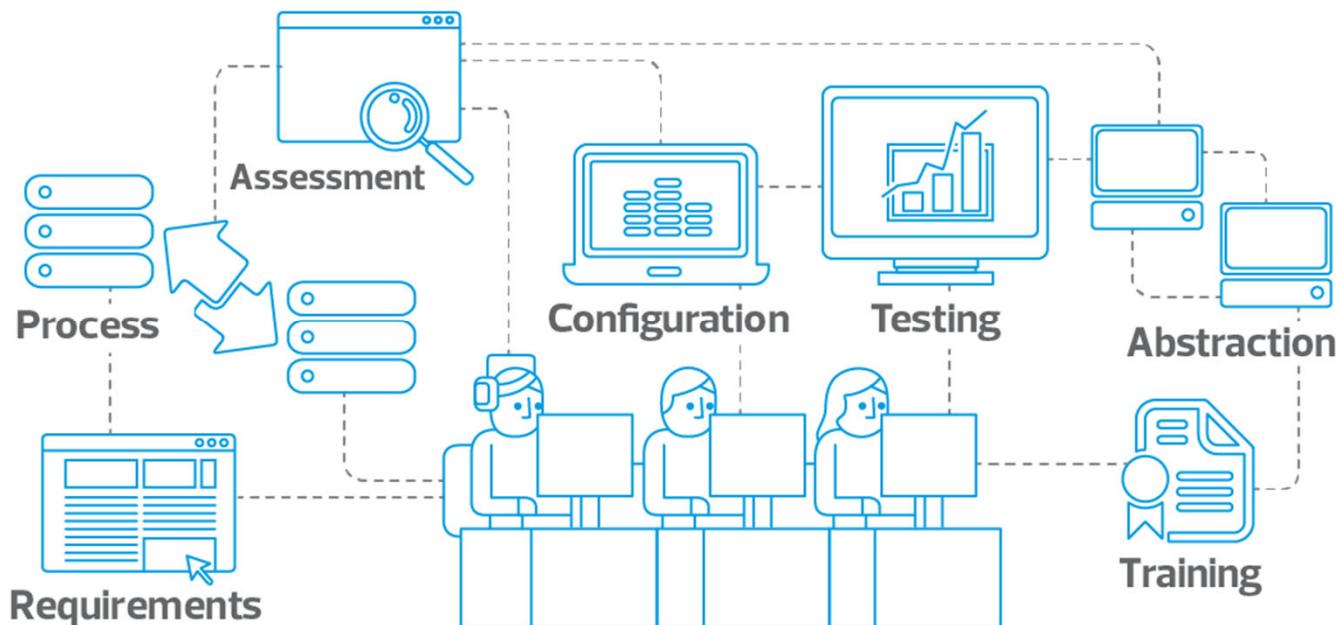


# Changes to the balance sheet

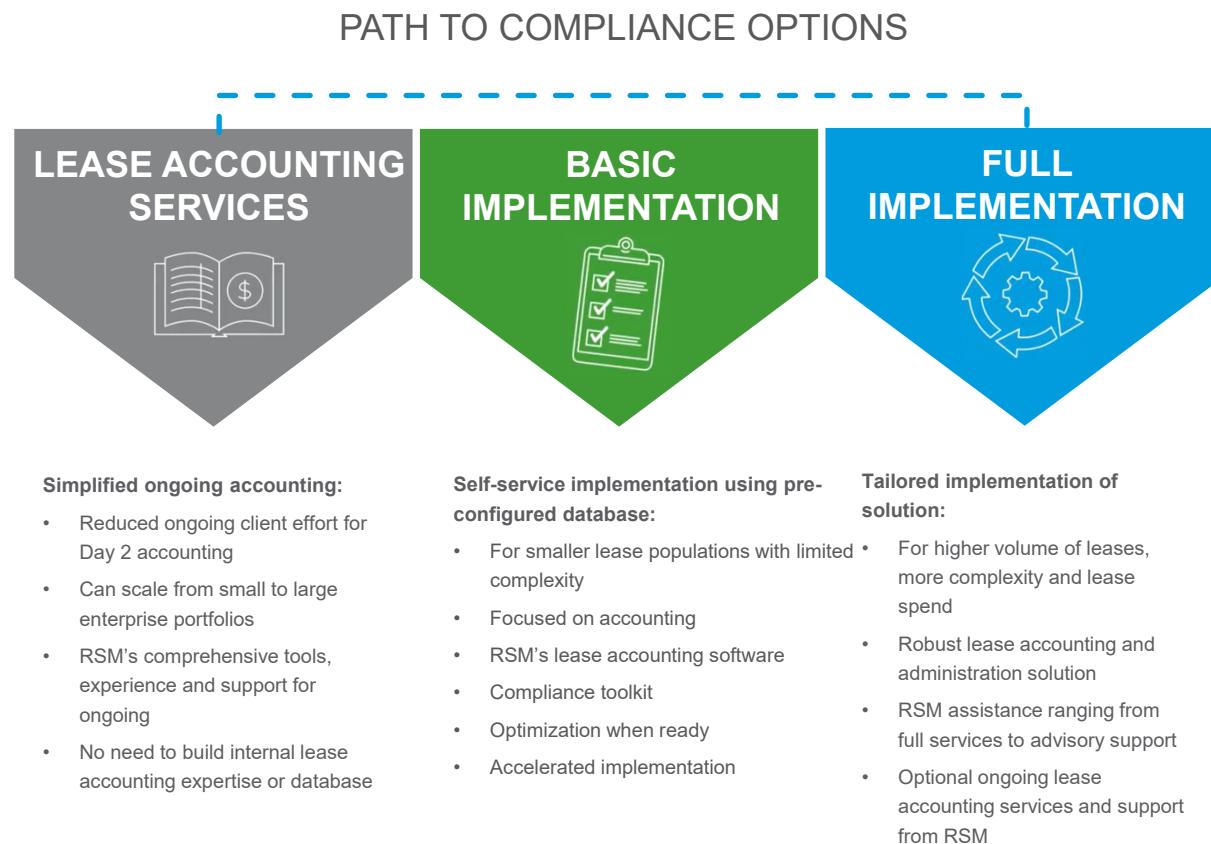
	ASC 840	ASC 842	
	<i>Finance Leases</i>	<i>Operating Leases</i>	<i>All Leases</i>
Assets	 	---	   
Liabilities	\$\$	---	\$\$ \$\$\$
Off Balance Sheet Rights/Obligations	---	  \$\$\$	---



# Compliance is complex



# RSM's three paths to compliance



# The RSM process

## Implementation methodology and approach

Project management, communication and change enablement								
Assessment and strategy				Implementation phase				Optimize
Project initiation and planning	Business requirements and contracts analysis	Define 842 Impact	Technology selection	Business process and system design	Configuration, abstraction and data validation	System testing and validation	Deployment, training and user adoption	Managed service and support
<ul style="list-style-type: none"> <li>▪ Confirm project scope and objectives</li> <li>▪ Define project plan, resources and risks</li> <li>▪ Set up project communication structure</li> <li>▪ Kickoff with extended team</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtain understanding of business processes</li> <li>▪ Assess current lease portfolio</li> <li>▪ Understand supporting technology</li> <li>▪ Capture 842 lease accounting requirements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify practical expedients and policy elections</li> <li>▪ Identify potential embedded leases</li> <li>▪ Communicate with external auditors and tax</li> <li>▪ Finalize 842 lease accounting requirements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Map requirements to software vendor functionality</li> <li>▪ Build vendor demo scripts</li> <li>▪ Complete vendor demo(s)</li> <li>▪ Client selection of vendor (system)</li> <li>▪ Define implementation scope, timeline and budget</li> </ul>	<ul style="list-style-type: none"> <li>▪ Kick off implementation phase</li> <li>▪ Create system design</li> <li>▪ Establish lease abstraction and data validation plan</li> <li>▪ Define future accounting policies</li> <li>▪ Define key future processes and controls</li> <li>▪ Define reporting requirements, including tax impacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Configure software</li> <li>▪ Build system integration</li> <li>▪ Finalize embedded lease population</li> <li>▪ Abstract and load lease data</li> <li>▪ Build custom reports</li> <li>▪ Client validation of data and configuration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create testing and training plan</li> <li>▪ Train for testing</li> <li>▪ Execute test plan</li> <li>▪ Validate lease calculations</li> <li>▪ Validate reporting and disclosures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Train additional accounting and procurement users</li> <li>▪ Execute cutover</li> <li>▪ Go-live</li> </ul>	<ul style="list-style-type: none"> <li>▪ Optimize processes and controls</li> <li>▪ Ongoing technical accounting support</li> <li>▪ Ongoing technology support</li> <li>▪ Optimize system integration</li> </ul>

# Why NetLease?

SUITEAPP

## SUITEAPP

- 100% built for NetSuite (verified Native SuiteApp)
- No integrations required
- Full lease automation
- Fast and simple setup

BEGINNING TO END

## BEGINNING TO END

- Supports lease reporting & decision making throughout the entire lease lifecycle
- Robust end-to-end audit trail
- Manage lease modifications on the asset record

COST BENEFIT

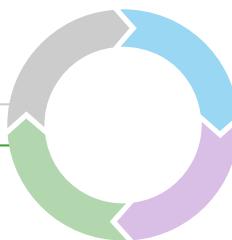
## COST BENEFIT

- Higher Value, Lower Cost
- Cost competitive
- Time, Productivity, and Resource Savings

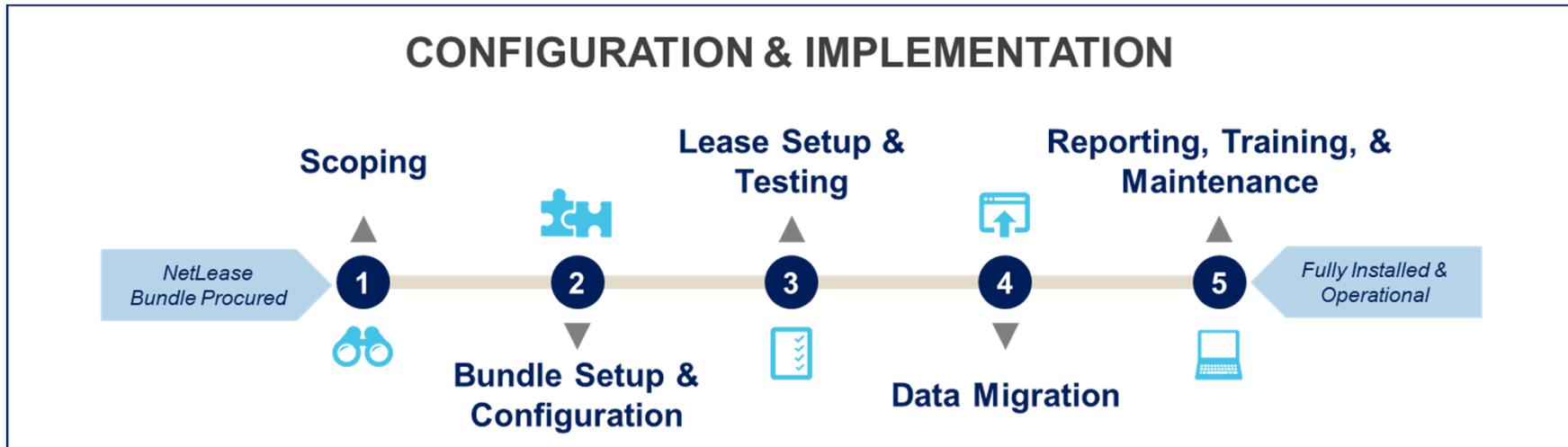
ACCOUNTING

## ACCOUNTING

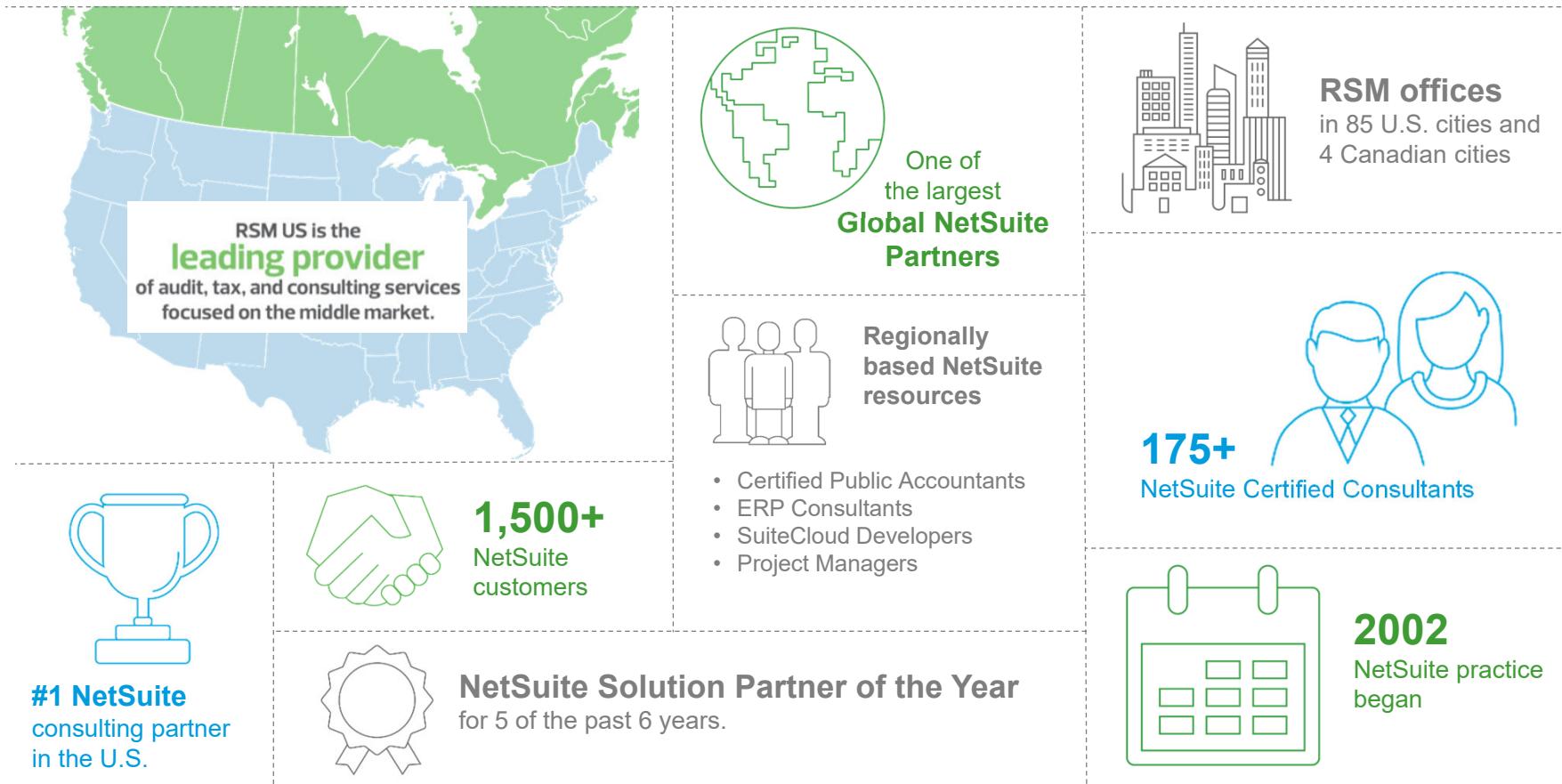
- Integrated AP management
- Fully supports lessor accounting
- Push-button reporting for disclosures
- Integrated with native billing, inventory, and fixed asset management

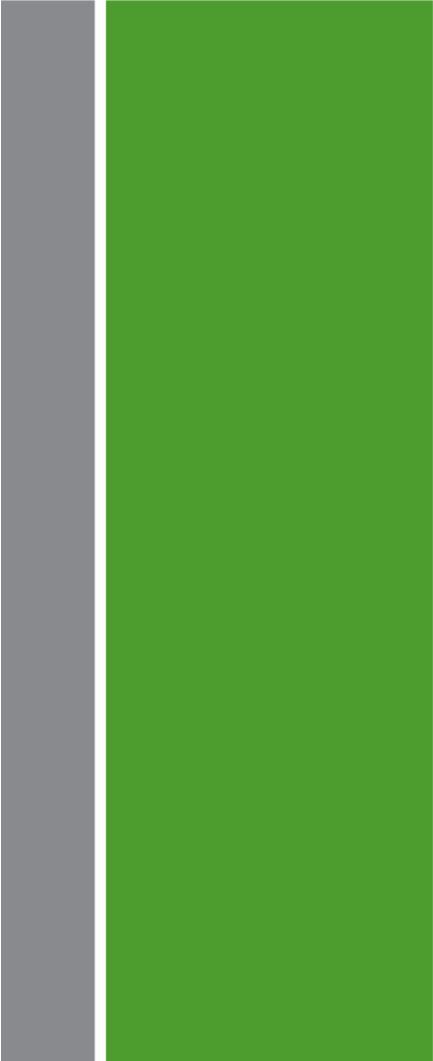


# NetLease process



# Our NetSuite practice





# NETLEASE DEMONSTRATION

# Demo agenda

Topic	Points
NetLease Bundle	<ul style="list-style-type: none"><li>• Downloading the bundle</li></ul>
Dashboard	<ul style="list-style-type: none"><li>• Lease portfolio at a glance</li></ul>
System Setup	<ul style="list-style-type: none"><li>• Transition selections</li><li>• Accounting settings</li><li>• System settings</li><li>• System features</li><li>• Lease types</li></ul>
Entering a new lease	<ul style="list-style-type: none"><li>• Primary information</li><li>• Schedule information</li><li>• Amortization schedules</li><li>• Accounting</li><li>• Related records</li></ul>

# Demo agenda

Topic	Points
Journal Entries	<ul style="list-style-type: none"><li>Initial balance</li><li>Monthly amortization</li></ul>
Modifications & Early Terminations	<ul style="list-style-type: none"><li>Modifying a lease</li></ul>
AP Management	<ul style="list-style-type: none"><li>Vendor bill integration</li></ul>
Reporting	<ul style="list-style-type: none"><li>Administrative reports</li><li>Disclosure reports</li></ul>

# QUESTIONS AND ANSWERS

# Closing comments

## **KEY CONSIDERATIONS:**

- Most companies underestimate the level of effort, complexity, resource requirements, and timeline for adoption
- Lack of centralized lease/contract databases will likely increase the effort and timeline for adoption

## **RESOURCES:**

- [RSM Lease Accounting Resource Center](#)
- Your RSM NetSuite Contacts
- Weston Lampe [weston.lampe@rsmus.com](mailto:weston.lampe@rsmus.com)
- Troy Sheehan [troy.Sheehan@rsmus.com](mailto:troy.Sheehan@rsmus.com)
- RSM provide follow up information on how to set up a tailored demo with RSM and NetLease

THANK YOU FOR  
YOUR TIME AND  
ATTENTION

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