

Essential Features for Lease Accounting

Different software solutions for lease accounting vary in the completeness of the features they offer. Surprisingly, many of the lease accounting software solutions offered today lack the basic functionality required to accurately manage leases and comply with lease accounting standards (ASC 842 | IFRS 16 | GASB 87 | ASC 840).

When considering a lease accounting software solution, make sure you don't end up with only half of a lease accounting solution or a severely limited lease administration system. Insist on seeing working functionality in each of the areas mentioned below.

We have highlighted six significant areas of functional deficiencies found in other lease accounting software solutions that you need to consider.

Missing basic lease administration and data management features

Other Systems

- Believe it or not, some systems lack the ability to pay rents and invoice tenants.
- Cumbersome and unintuitive navigation issues make finding and inputting data difficult.
- No unified lease detail view; users must drill down into each amendment separately to find basic information.
- Leases that have been amended over time cannot be maintained as a single agreement but instead must be entered and reported on as separate, unrelated agreements.

Lease Harbor

With over 20 years in the industry, Lease Harbor offers the Best in Class lease administration and data management features, including user friendly input and maintenance of lease data AND lease accounting data. Bulk data imports are available for all fields in the system, making your data entry needs much easier. Our software offers fully integrated payment and journal entry processing using a batch process instead of just static reports. We customize your export format for your needs.

Weak or non-existent integration between lease administration and lease accounting

Other Systems

- Some systems require you to enter and maintain the underlying lease data in a separate system, requiring you to either re-enter that data for lease accounting or attempt to “pump” the data from one system to another (see our Dump the Pump white paper). This is an auditor’s nightmare.
- Other systems that claim to have both lease administration and lease accounting functionality require unnecessary re-entry of basic lease data to do lease accounting. This is a telltale sign of a system that wasn’t designed from the ground up to be a fully integrated lease administration and lease accounting system.
- Other frequently missing points of a seamless integration:
 - The ability to see basic lease information from within the lease accounting functionality and reporting.
 - The ability for changes in underlying lease data to flow through to amortization schedules and journal entries without requesting a “manual” refresh from the vendor’s technical support.
 - The ability to continuously maintain the underlying lease data and administer the portfolio without “blackout” periods during accounting closing cycles.
 - The ability to validate the underlying lease data before accounting report issues occur.

Lease Harbor

Lease Harbor was built from the ground up and includes BOTH robust data management and lease accounting functionality in one simple interface. There are no “blackout” periods where you cannot modify the data until accounting has finalized all journal entries and month end closing activities. In Lease Harbor, you batch the data, verify the results, delete the batch if changes are needed, make any necessary modifications, then rerun the batch again. When everything has been entered accurately, you simply approve the batch, post it, and report on the results. This provides you with a secure, built-in approval and posting process.

Lack of robust reporting capabilities

Other Systems

- Missing details needed by auditors from the lease data presented with standard disclosure, roll-forward and reconciliation reports.
- Limited standard reports, inflexible reporting features and unable to pick and choose which fields to include on reports.
- Customizing reports to client specific requirements can become quite expensive, can take weeks or months to produce, and/or require you to wait for a specific scheduled software update to be released.
- Client does not have on-demand access to exports of their portfolio data.

Lease Harbor

Lease Harbor has created the most comprehensive set of standard lease administration and lease accounting reports available in the market, including one-click rollforward and disclosure lease accounting reporting with detailed supporting reports. We also include a complete reporting library specifically for reporting on the industry’s most comprehensive audit system. And, your data is always available for client-controlled download as a standard system feature. No need to reach out to support for an export of your data and/or documents; they are readily available to authorized users.

Lack of critical lease accounting features

Other Systems

- No automatic re-measurements when there are changes to the underlying lease data.
- No ability to flow basic changes in underlying leases, such as expansions, through to lease accounting without resorting to a manual process.
- No ability to make basic changes to accounts or cost centers without re-entering the underlying lease data.
- No ability to make multiple changes to a lease or accounting scenario during a single fiscal period.
- Missing effective date accounting with catch up journal entries in open fiscal periods.
- No ability to close fiscal periods, or respect closed fiscal periods.
- No ability to correct historical errors from previously closed fiscal periods.
- Missing flexibility for leases to produce individual amortization schedules for the component lease details such as TIA amortization, purchase options, purchase accounting adjustments, and cease use adjustments.
- No client specific discount rate automation and control.

Lease Harbor

Lease Harbor is a complete accounting subledger for your lease accounting assets. There is no need for manual journal entries anymore. Everything that is needed to book your lease accounting entries is included in the custom journal entry export, created specifically for your accounting needs. We have automated the re-measurement process, utilize discount rate controls, and IBR automation.

Difficult to customize to your needs

Other Systems

- Company-specific fields must be tracked in a separate system or spreadsheet.
- In systems where customization is possible, they require engineers to make expensive code changes and can take weeks or months to complete.

Lease Harbor

Portfolio customizations have been a cornerstone of our software since the very beginning. We offer unparalleled support to store your company specific data in custom fields, available in multiple areas within the system. There is no need to get an engineer involved in portfolio customization. Customization can typically be completed by our standard support personnel, often within 24 hours of your request. All custom fields automatically become available in reporting after being added.

Costly, ineffective ERP integration

Other Systems

- True seamless integration with ERP systems for journal entries and payment/receivable batching. Most systems advertise integration that doesn't work as advertised.
- ERP integration features that are only offered as costly upgrades and require lengthy expensive customizations.

Lease Harbor

Lease Harbor is a leader in ERP and data integrations. We offer both standard, pre-built integrations for those clients that have basic requirements and enjoy low costs, as well as rapid customizations when needed. We have successfully completed hundreds of integrations over the last 21 years. Please see the ERP and Data Integration white paper for more information.

Lease Harbor offers the most complete lease accounting solution designed from the ground up to include the needed lease accounting features mentioned above, integration with a client's ERP system, seamlessly include lease administration and data management, and so much more.

About Lease Harbor LLC

Lease Harbor was founded in March 2000 with the express purpose of building the most complete, user friendly, cost-effective lease administration and lease accounting software solution. Over the past twenty-two years, more than 1,800 companies have trusted Lease Harbor, and the majority of our clients have used our services for over ten years. Our global clients range from small companies to large enterprises and represent all industries, including technology, health care, and finance.

As an employee-owned company, our clients rely on our experience, consistency, and continuing innovation. We offer scalable, reliable, well supported software priced at a fraction of the cost of our competitors. Lease Harbor's flagship product is the industry's first and only full-featured, completely seamless lease accounting and lease administration system.

Lease Harbor provides the industry-leading software and services you need to take control of your lease accounting and management. For more information, please contact info@leaseharbor.com.