



# Federal Agencies and Lease Standards Implementation

## Speakers:

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## Moderators:

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*We'll get you there.*



# Agenda

- Disclaimers
- Learning Objectives
- Overview
- Riskiest Areas
- Best Practices
- Project Management
- Changes in Leasing Practices?
- Software and Process Considerations
- Standard Setters Updates
- Final Thoughts





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# Learning Objectives

At the end of the session, you will be able to:

- Describe the impact of the new federal lease standards on the financial statements
- Identify the riskiest implementation areas
- Describe best practices for identifying embedded leases
- Determine key project management milestones
- Consider software requirements and process changes
- Discuss standard setters updates



# Overview



## Overview of the new lease standards



## Potential impacts to the:

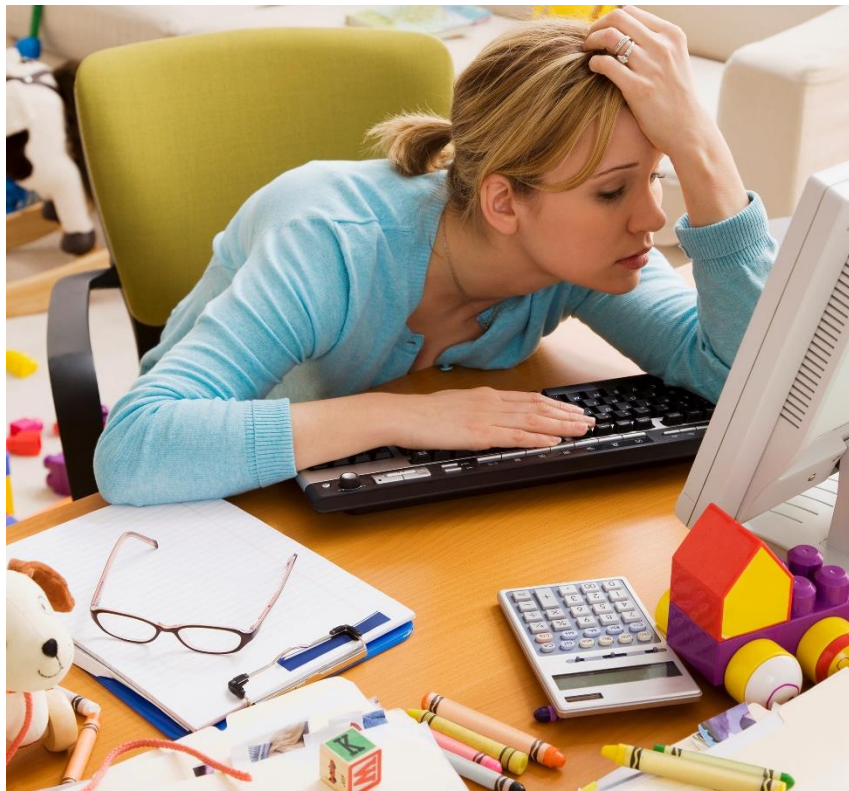
Balance Sheet

Statement of Net Cost

Statement of Budgetary Resources




# Riskiest Areas



What are the riskiest areas related to the implementation of the new lease standards?



# Best Practices



What are some best practices for identifying embedded leases?

- Offer new lease standards training to operational team members authorized to sign agreements
- Review vendor master files to identify service provider vendors
  - Analyze list for likely arrangements with embedded leases
- Analyze recurring payments activities

# Project Management

What activities will be required to ensure federal agencies are successful in the adoption of the new lease accounting standards?

For those who are running behind, what steps should federal agencies take to get on track?

For those who have already started, where should federal agencies be now, two years out from the effective date of the implementation?

# Changes in Leasing Practices?

In the commercial space, lessees are pushing for lower annual lease payments instead of lease concessions.

Does the federal government community expect that the new lease standards will cause changes in leasing practices?

Do we expect the community to push for short-term leases instead of long-term leases in order to avoid the effort required for accounting and reporting long-term leases?



# Software and Process Considerations

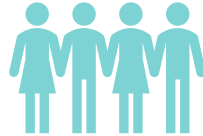
- Some federal agencies plan to use lease software that has been developed by their existing vendors for the implementation of GASB 87.
- What are some key aspects of the software that must be reconfigured to accommodate the implementation of the FASAB lease standards?



# Standard Setters Updates



Board project updates on  
technical activities



GSA Community of  
Practice



Treasury Governmentwide  
Working Group



# Final Thoughts and Questions

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