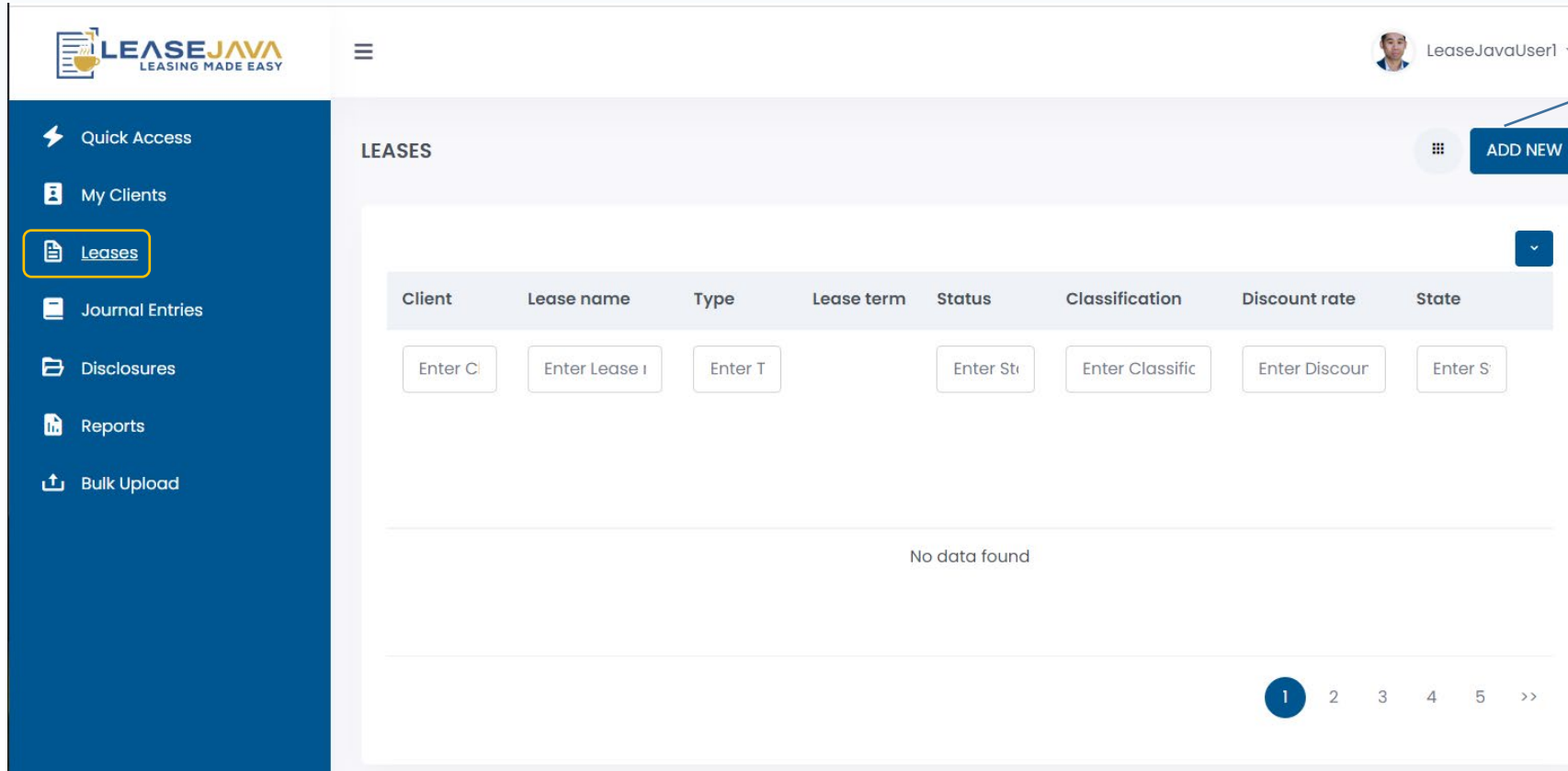


LeaseJava – Adding a lease

September 2022

Navigation Bar > Leases

- *Displays leases associated with your assigned clients*



The screenshot shows the LEASE JAVA interface. On the left is a dark blue navigation sidebar with the following items: Quick Access, My Clients, Leases (highlighted with a yellow border), Journal Entries, Disclosures, Reports, and Bulk Upload. The main content area is titled 'LEASES' and features a table with the following columns: Client, Lease name, Type, Lease term, Status, Classification, Discount rate, and State. Each column has a corresponding input field with placeholder text: 'Enter C', 'Enter Lease n', 'Enter T', 'Enter Str', 'Enter Classific', 'Enter Discour', and 'Enter S'. Above the table is a blue 'ADD NEW' button. Below the table, the text 'No data found' is centered. At the bottom right of the table area, there is a pagination control showing '1' in a blue circle, followed by '2', '3', '4', '5', and '>>'.

Click to Add a New Lease

Leases > Add Lease > General

- General lease information.
- * is required

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Asset type *
Office

Lease name *
MA Office

Asset description

Serial / VIN / Asset ID

Sq. Footage

Address Line 1

Address Line 2

City

State *
MA

Zipcode

File Upload

NEXT

Click to upload files
Files can be uploaded later
when Viewing a lease. This is
the recommend practice.

Leases > Add Lease > Lease Details

- This panel sets the GAAP term of the lease.

ADD NEW LEASE 01/01/2022 TO 12/31/2024

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Lease commencement date * 01/01/2024
Initial term for how long ? Months 36
Initial lease end date * 12/31/2024

Option to extend for the lessee

Is there an option to extend the lease?

Reasonably certain to exercise?

Renew for how long? Months 0
Renewal start date 01/01/2025
Renewal end date 01/01/2025

Notify how long in advance? Months 0
Deadline to notify Lessor 01/01/2025

Option to extend for the lessor

This is the GAAP Start (Control is transferred) and GAAP End Date.

Expense starts accruing on the GAAP Start Date

Not required but will calculate the End Date.

Make sure the Initial lease end date is okay.

Won't update the GAAP End Date unless "Reasonably certain to exercise?" is clicked.

Click to add more renewals

Leases > Add Lease > Payments

- This panel allows you to input payments for a related lease

TRAINING COMPANY - ADD NEW LEASE 01/01/2022 TO 12/31/2024

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Discount rate Select currency USD

PAYMENT PREVIEW

Periodic lease payments	^
Refundable Deposit	^
Payments before commencement	^
Probable owed under RVG	^
Incentives	^
Payments for purchase option	^
Penalty for terminating	^
Initial direct cost	^

PREVIOUS **NEXT**

Required Field
"5" here would be 5%.
"5.25" would be 5.25%

Leases > Add Lease > Payments

TRAINING COMPANY - ADD NEW LEASE 01/01/2022 TO 12/31/2024

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Discount rate: Select currency:

PAYMENT PREVIEW

Periodic lease payments

Amount: Payment frequency:

Payment Start date: Payment End date:

Annual Fixed amount % increment: Annual Fixed amount \$ increment:

Description:

+
SAVE

Refundable Deposit

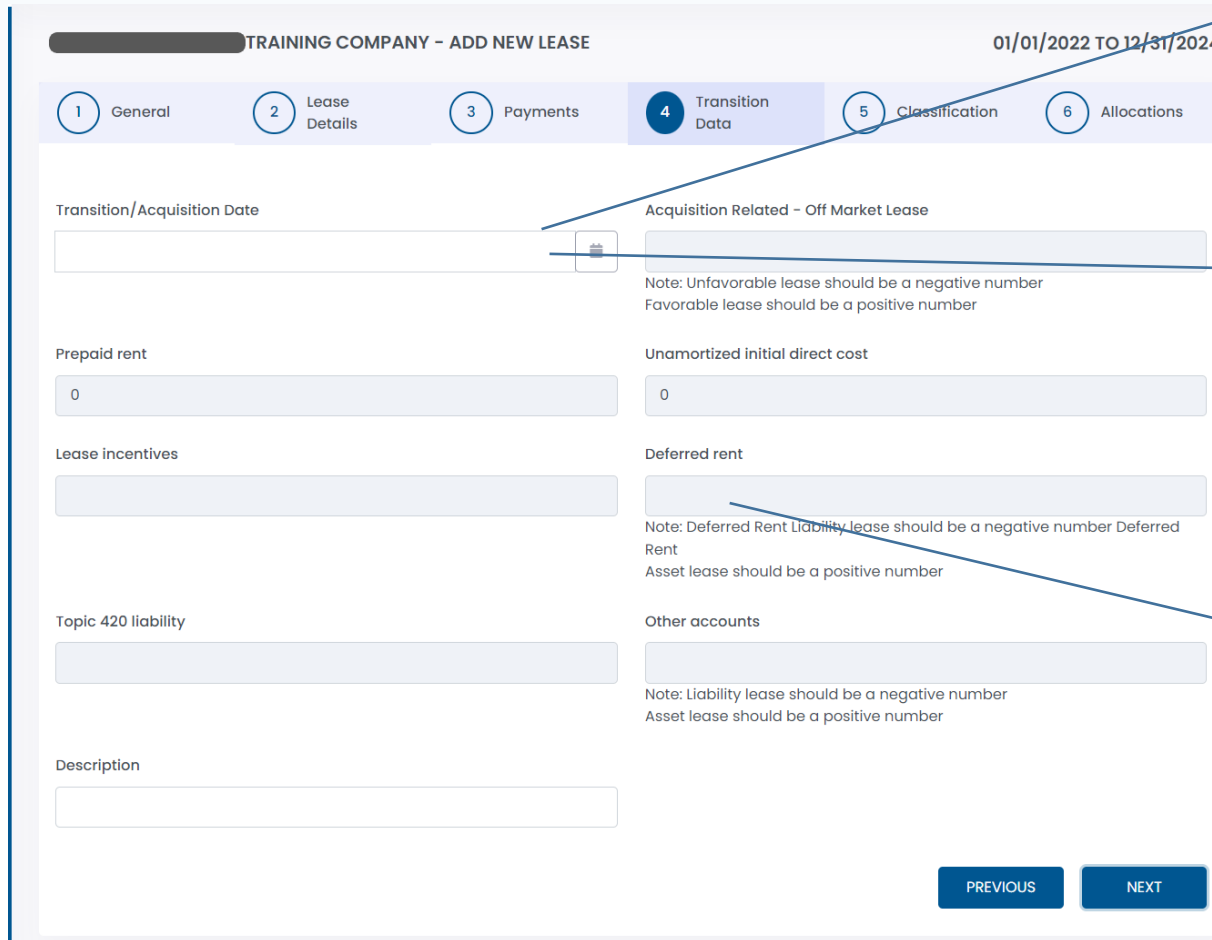
Recommend that you use Payment Preview to see if you inputted payments properly

Click to add more payment streams

Click Save or the payments won't post

Leases > Add Lease > Transition

- Panel is for “Transition” to ASC 842 or Assumed Leases in a business combination



TRAINING COMPANY - ADD NEW LEASE 01/01/2022 TO 12/31/2024

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Transition/Acquisition Date

Acquisition Related - Off Market Lease
Note: Unfavorable lease should be a negative number
Favorable lease should be a positive number

Prepaid rent

Unamortized initial direct cost

Lease incentives

Deferred rent
Note: Deferred Rent Liability lease should be a negative number
Deferred Rent Asset lease should be a positive number

Topic 420 liability

Other accounts
Note: Liability lease should be a negative number
Asset lease should be a positive number

Description

PREVIOUS NEXT

This will pre-populate if the Client has a transition date set and the lease starts before this date.

DO NOT USE “transition” to transition Financing Leases under ASC 842.

For transition to ASC 842 this is probably the field you’ll use. Make sure to make this a negative number for credit balances

Leases > Add Lease > Classification

- Classify the lease as an Operating or Financing

TRAINING COMPANY - ADD NEW LEASE 01/01/2022 TO 12/31/2024

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

How would you classify this lease? * Operating Financing Use LeaseJava to determine

Does lease transfer ownership of underlying asset to lessee by end of lease term?

Does lease grant lessee an option to purchase underlying asset that lessee is reasonably certain to exercise?

Amount for option to purchase Payment Date

Underlying asset of such a specialized nature that it is expected to have no alternative use to the lessor?

Useful economic life Months Fair value
This field is required

Total Amount under RVG 0

Lease term for a major part of remaining economic life of underlying asset?

PV of lease payments + RV guaranteed is at least substantially all of the fair value of the underlying asset?

PREVIOUS NEXT

If assessed outside of LeaseJava classification can be forced

This is automatically calculated based on the lease term vs useful economic life (i.e., 75% test)

This is automatically calculated based on lease payments vs the fair value of the asset (i.e., 90% test)

Leases > Add Lease > Allocation

- Allocation between leasing and nonleasing components

TRAINING COMPANY - ADD NEW LEASE 01/01/2019 TO 12/31/2023

1 General 2 Lease Details 3 Payments 4 Transition Data 5 Classification 6 Allocations

Leasing Component 100.00%

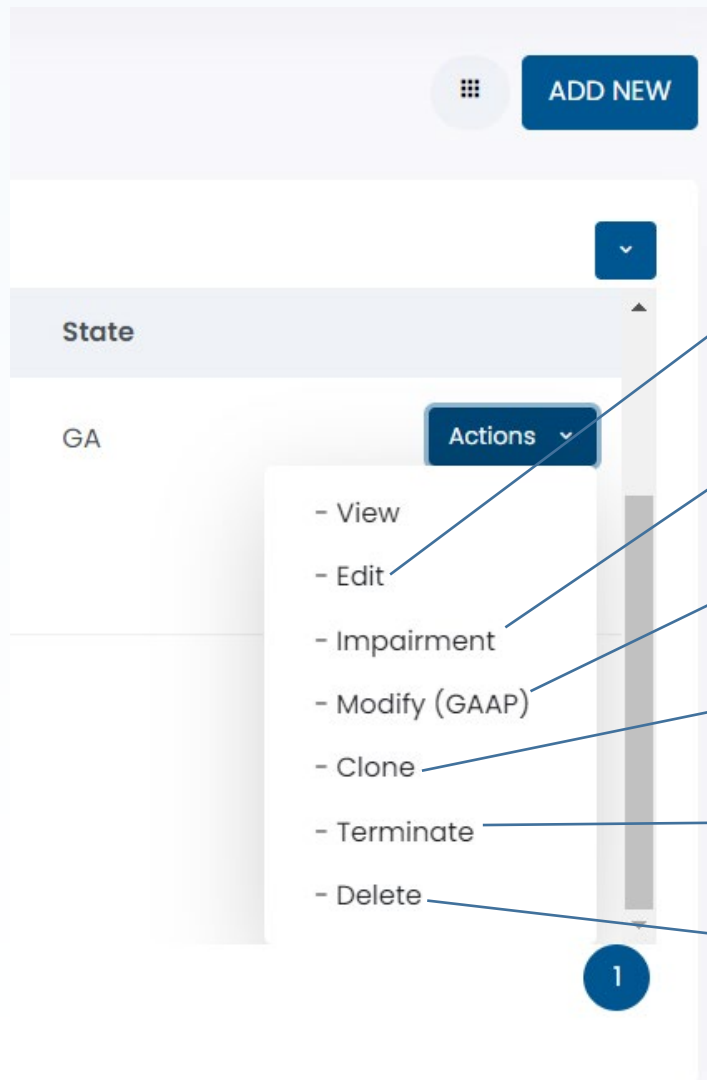
Label	Amount
<input type="text"/>	60000.00

Non-Leasing Component 0.00%

Label	Amount
<input type="text"/>	0

Default is to allocate everything to leasing. Typical election for office leases.

Navigation Bar > Leases > Action Button



EDIT – Overrides everything based on updated information.
Recasts everything.

Common uses: update a preliminary rate, fix an error

Impairment – use when long-lived asset impairment is determined

MODIFY (GAAP) – Use when a lease is Amended or there's a Reassessment event. Prospective accounting and does not recast previous numbers

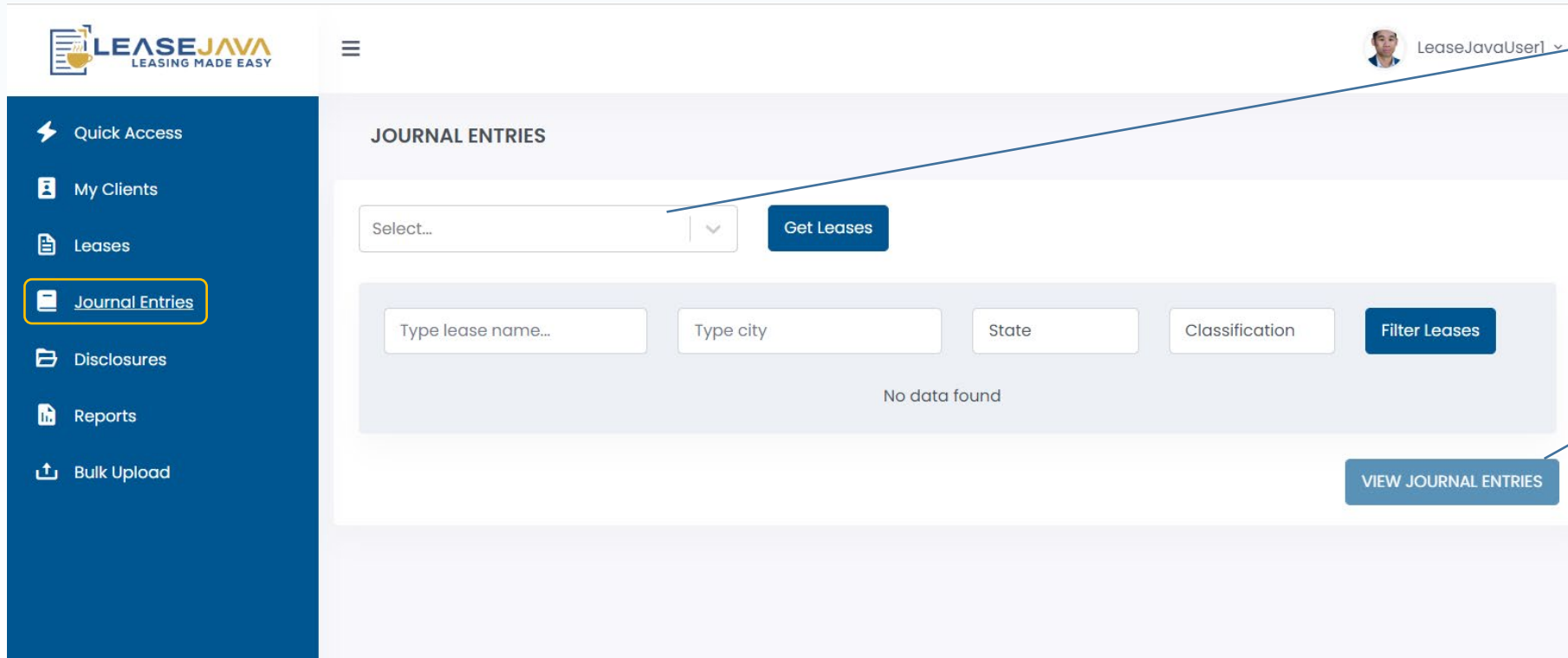
CLONE – Copy a lease. Will prepopulate a new lease based on "cloned" lease.

TERMINATE – Full Lease Termination. Usually results in a gain/loss event.

DELETE – Deletes entire lease record and corresponding journal entries. It's like the lease never existed.

Navigation Bar > Journal Entries

- *Journal Entries for selected clients*



Select the "Client" and click "Get Leases"

Once leases are selected. Pick a start and end date to query journal entries.