

FASB Lease Accounting Compliance at Top Bank



Problem

A change in FASB accounting rules meant all real estate leases needed to be transferred to a new purpose-built accounting system

Solution

Alacer partnered with a Big Four accounting firm to extract relevant lease information from original lease documentation for migration to a purpose-built accounting software solution

Results

All lease information successfully transferred to new accounting system in time for FASB compliance

Overview

A change in accounting rules by the Financial Accounting Standards Board (FASB, ASU 2016-02, Leases (Topic 842)) meant a new system implementation was necessary to bring all lease obligations on-balance sheet. The client had approximately 750 real estate leases that required migration to the new purpose-built lease accounting software.

Challenges

Previous operational challenges meant that lease attributes and payment schedules in the source system could not be relied on. The large amount of information extraction required and the manual nature of data extraction meant that control at each stage of the process was paramount. All lease information was manually verified to original lease documentation before transfer, with some leases handwritten and over 150 years old

Results

All lease information was completely and accurately transferred on a timely basis, and Alacer was retained to maintain the lease data on the new lease accounting system.