



LEASE ACCOUNTING COMPLIANCE DEADLINES ARE FAST APPROACHING.

The new standards (ASC 842 and IFRS 16) require companies to recognize obligations for real estate, equipment and other leased assets on their balance sheets, a shift that will affect many companies' accounting policies and procedures, information systems, debt covenants and financial ratios.



Companies with calendar year-ends will need to adopt on or before January 1, 2019, while U.S. private companies are allowed a year deferral.



The IASB projects nearly \$3 trillion of real estate and equipment leases will move on to corporate balance sheets.



Most companies will need to collect significant amounts of data; deploy new software and update processes to comply.



Equipment represents the biggest challenge. Most companies do not have owners assigned, processes established or systems deployed.

Companies most affected by the new rules will be those relying heavily on lease arrangements, especially in industries such as consumer products, restaurants, retail, financial services, manufacturing and distribution, utilities, and oil and gas.

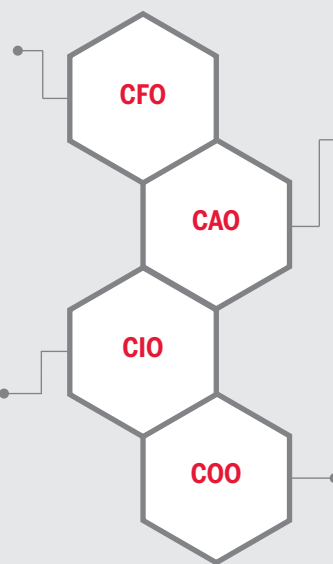
HOW WE CAN HELP YOU.

Impact Assessment

New assets = new liabilities and significant changes to financial statements. RGP can assess the impacts; identify gaps in policy, process, control and technology; and design the future state process and system landscape.

Software Selection & Implementation

Accounting for lease transactions will likely require new software. RGP can help develop a technology strategy; select, implement, and deploy a permanent and sustainable lease accounting system; and train users.



Data Collection

Collecting data will be an arduous task. RGP can centralize the approach, lead collection efforts, manage the data and collaborate with stakeholders to locate and extract required data.

Program & Change Management

RGP can manage your project and integrate change throughout the organization to achieve clear ownership and effective controls.

LET'S TALK LEASE ACCOUNTING.

Implementing the lease accounting standard presents many challenges involving multiple stakeholders, disparate processes and systems, and poor data quality. Program management, an early start and adequate resources can help ensure your project's success. Don't get caught off guard. Contact us today to start developing your plan.

