

ASC 842: Roadmap for Success

● Lease capture/lease identification

Capture all of the leases in your organization.

● ASC 840 compliance

Ensure compliance with the old lease standard. Incorrect lease information under ASC 840 will complicate the transition into ASC 842

- Look out for incorrectly classifying operating versus capital leases
- Make sure to identify reasonably assured terminations or renewals

● Contract reviews

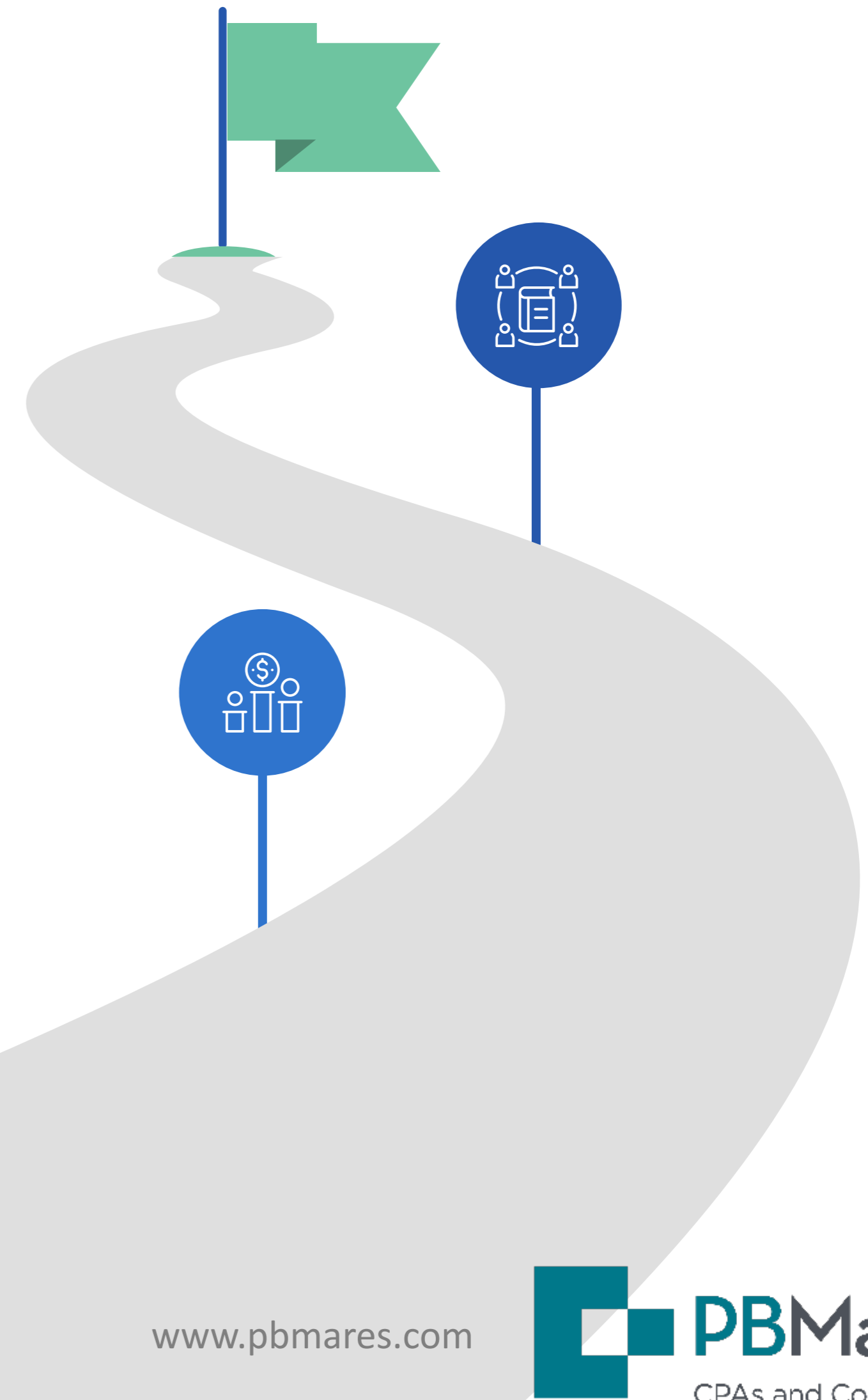
Under the new lease standard, operating leases are now recorded on the balance sheet, so it's important to review contracts for embedded leases.

● Debt covenants

The new lease standard adds an ROU asset and lease liability on the balance sheet for operating leases, which could place you in violation of one or more debt covenants.

● Lease accounting software

PBMares has partnered with LeaseCrunch to implement the new lease standard so you have access to the easiest-to-use lease accounting software on the market.



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