ASUG
Americas' SAP Users' Group

The Great GASB 87:
Are you Ready for Lease Compliance?

Kathleen Wilhide, SAP oCFO Specialist
Thomas Anderson, SAP Solution Director
John Chapman, SAP Solution Engineer

Session ID ASUG83924

About the Speakers

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Key Outcomes/Objectives

1. What it takes to comply with the new Leasing Standards
2. Leveraging technology for lease compliance
3. Solution overview and how to get started

Agenda

1. **Complying with the new lease accounting standards – GASB, FASB, IFRS**
2. Optimize – Leveraging technology for lease compliance –

   Tom Anderson, Product Owner
3. Demonstration – SAP Real Estate/Contract & Lease Mgmt –

   John Chapman, Solution Engineer
4. Summary and transition options to SAP Real Estate/Contract and Lease Management

The Lease Accounting Adoption Journey

Comply

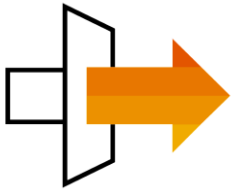
Meet the needs of today's Compliance Standards

Optimize

Eliminate manual work/spreadsheets and increase lease governance

Transform

Drive innovation and agility



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Comply

Completing the tasks required for compliance

Comply

- Standardization
- **Do what is needed** to achieve/meet/demonstrate the guidance of the regulations/GASB
- **Limited change to existing business processes** and/or core technology systems - minor adaptation where required
- **Automation where convenient**, not a focus (priority)
- Some to significant **manual intervention anticipated** to achieve/meet/demonstrate
- Limited integration due to time constraint and desire to minimize complexity

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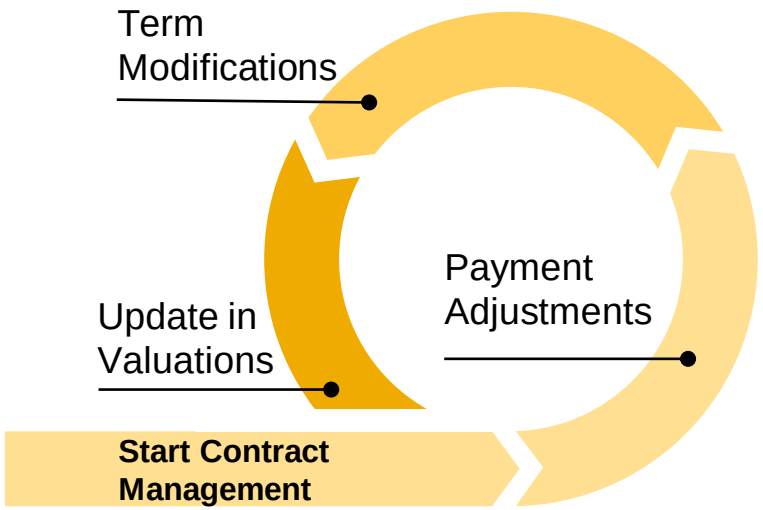
However….Lease accounting is more than just one time compliance



Compliance (Day 1)

- Calculate valuations for lease
- Create Right of Use Assets and Liabilities
- Post depreciation, interest and repayment of liability
- Generate disclosure reports

Record to Report (Post Adoption)

- Manage lease modifications ensuring reassessments are accurately reflected
- Manage lease renewals and early terminations, Reclassification of short-term and long-term liabilities
- Automate accounting entries and disclosure reporting

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Agenda

1. Complying with the new lease accounting standards – GASB, FASB, IFRS
2. **Optimize – Leveraging technology for lease compliance – Tom Anderson, Product Owner**
3. Demonstration – SAP Real Estate/Contract & Lease Mgmt – John Chapman, Solution Engineer
4. Summary and transition options to SAP Real Estate/Contract and Lease Management

Optimize

Reducing manual intervention using technology

Optimize

- **Review existing processes**/technologies and seek to improve using lessons learned from implementation
- Little to some manual intervention - a **focus on reducing manual workarounds** and interventions
- **Increased automation** with key external systems
- Use of data to **look retrospectively** and improve and optimize processes going forward to include execution, visibility, transparency, controls, and role responsibilities

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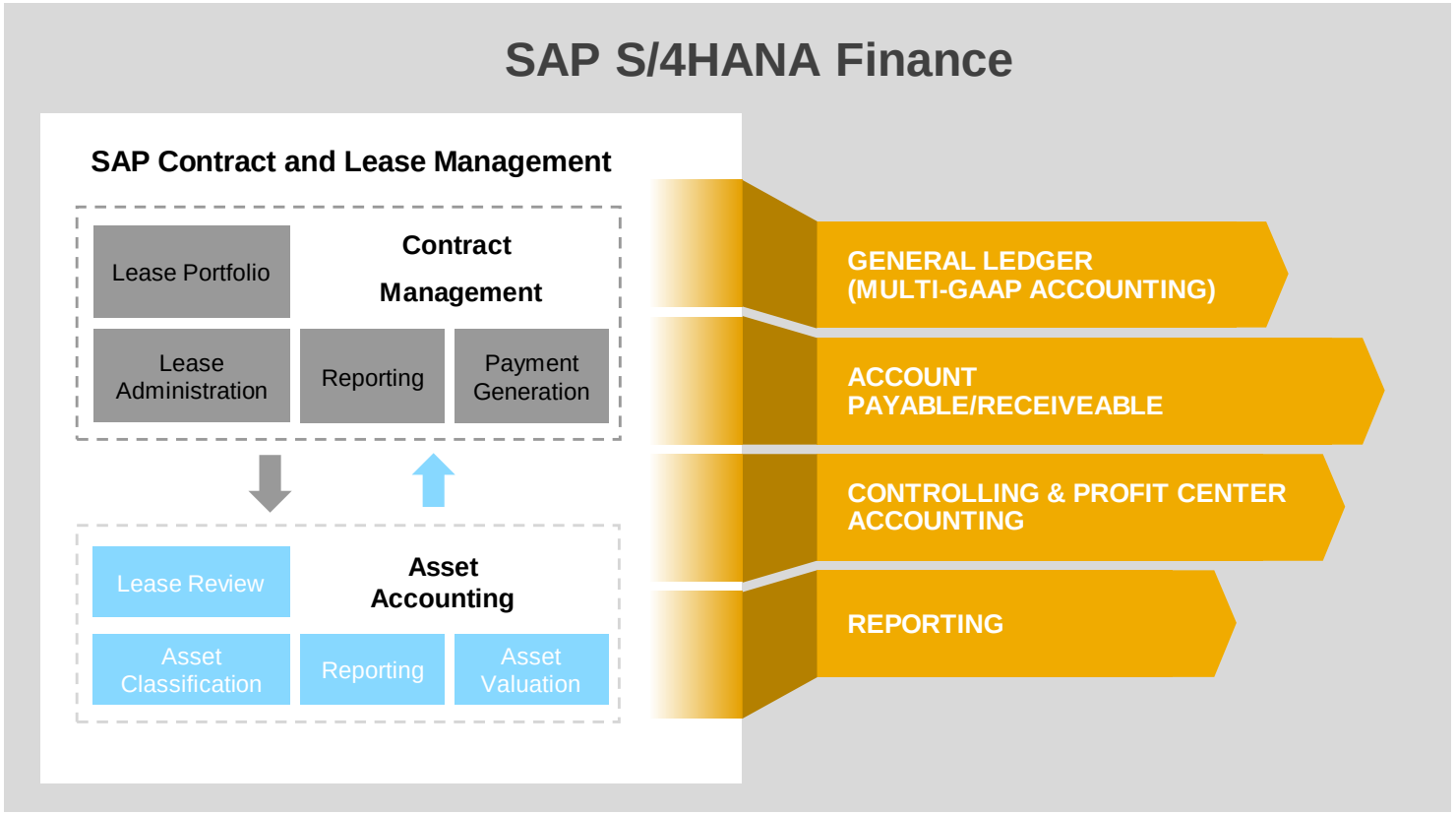
SAP Contract and Lease Management

Natively Integrated Leasing Solution with SAP S/4HANA Finance

SAP Contract and Lease Management Solution is part of SAP Finance – enabling the transformation of your leasing processes:

- Unified platform for lease administrators and asset accountants
- Standardized leasing processes
- Real-time valuation of finance leases
- Elimination of financial interfaces



Coordination between the **Lease Administrator** and **Finance** is critical for proper classification and valuation. Sharing a common platform eliminates operational silos between these critical players.

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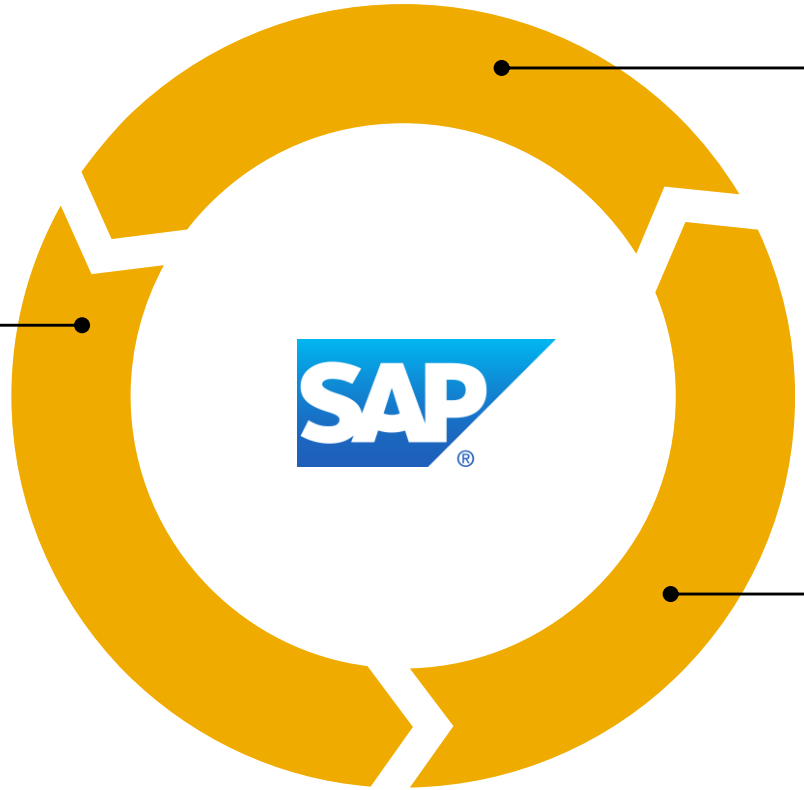
SAP Contract and Lease Management

Leveraging a Proven Solution Used by Customers Globally

Contract Management

- Different lease types for lease in and lease out
- Leasing partners
- Subject of agreement like cost center, property, WBS Elements, equipment, internal Orders, etc…
- Terms and conditions for notice and renewal options (validity)
- Lease payment cash flow with full integration
- Critical dates and reminders
- Document management



Align accounting

- GASB 87 compliance
- Manage right-of-use assets and liabilities
- Post depreciation and repayments
- Lease payments

Valuation and Classification

- Classification and valuation rules
- Calculate and report on net present value, depreciation, repayment and interest rate
- Lease Modification, Re-Assessments
- Statistical Valuation for non SAP Company Codes
- Support transition scenarios
- Create / Link to fixed assets

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SAP Lease Accounting Timeline

Solution built on a proven platform

Developed with four Innovation Customers in different regions and with cooperation with global SAP Partners

2004 — 2016 — 2017 — 2018

2004
GA SAP Lease Accounting with generic contract management

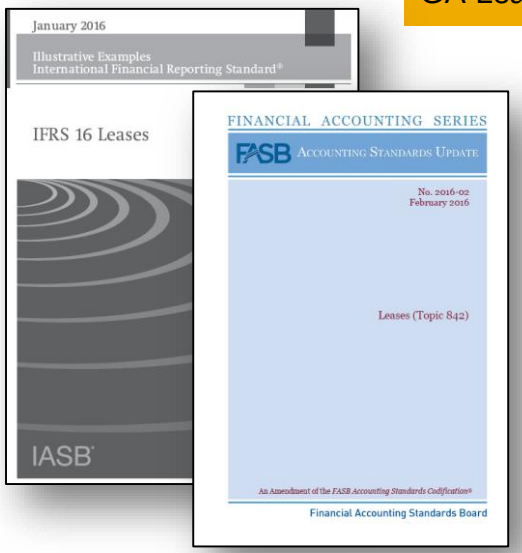
October 30th, 2013
Advance correction for IFRS16 Simulations (note 1933458)

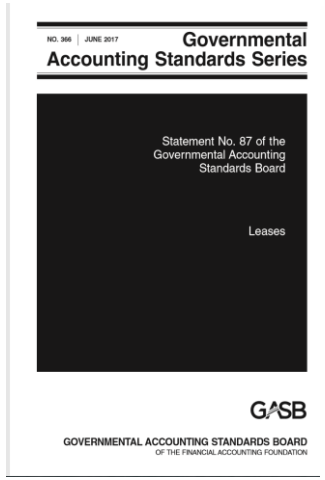
January & February 2016
Leasing standards released

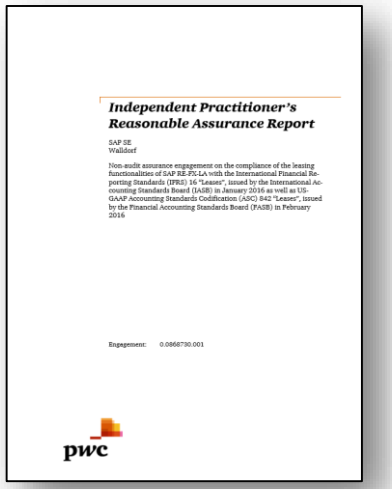
June 28th, 2016
GA Leasing Solution

June 2017
GASB 87
Leasing standards released

July 9th, 2018
ISAE Certification







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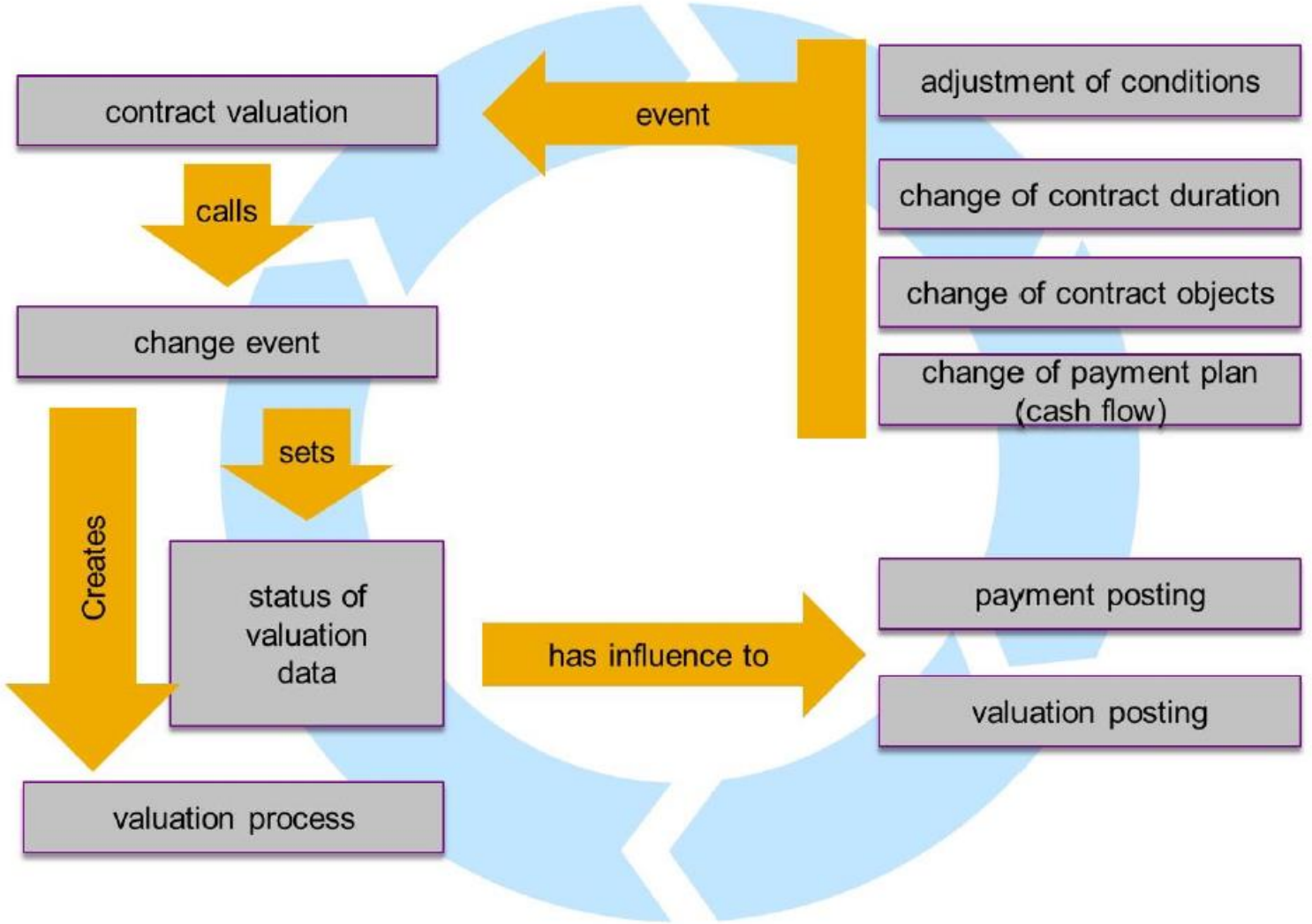
Change Events Impact Valuation Process



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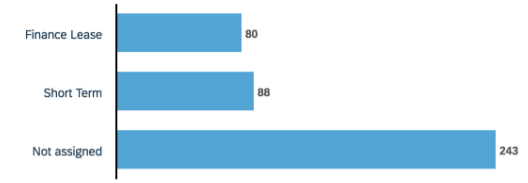
Analysis of Lease Valuations

Overview | Country View | Critical Dates | Valuation

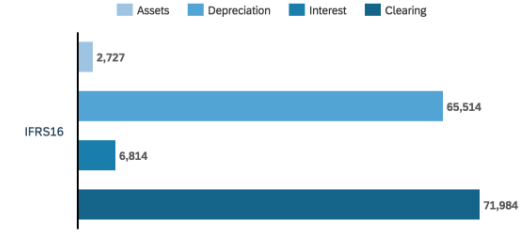
Contract & Lease Management - Valuation

Number of Records per Valuation Relevance



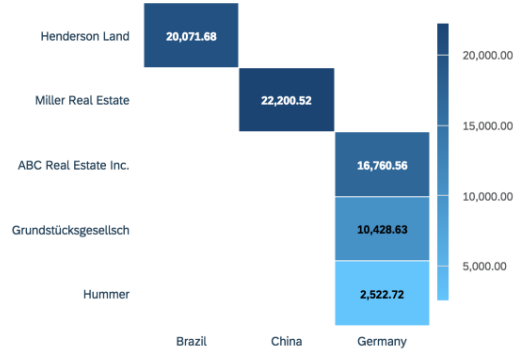
Contract Portfolio by Cash Flow Type

in Thousand EUR



Clearing per Contract Partner and Country

in Thousand EUR



Valuation - Cash Flow Overview

in EUR | Hidden | 5 sorts applied

							MEASURES	Assets	Depreciation	Interest	Clearing
FISCAL YEAR / PERIOD	COMPANY CODE	CONTRACT	COUNTRY (DI...	COUNTRY (SH...	CONTRAC...	CONTRA...	END OF TERM				
October 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	53,095.84	274,763.27
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	51,089.68	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	24,204.91	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	63,585.15	329,043.93
November 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	52,541.67	274,763.27
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	50,129.15	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	23,596.93	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	62,921.50	329,043.93
December 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	51,986.12	274,763.27
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	49,166.21	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	22,987.42	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	62,256.20	329,043.93
January 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	51,429.18	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999	2,727,280.00	40,048.17	6,709.46	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	48,200.86	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	22,376.38	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	61,589.23	329,043.93
February 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	50,870.84	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.16	6,617.50	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	47,233.10	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	21,763.82	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	60,920.59	329,043.93
March 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	50,311.11	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,525.30	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	46,262.93	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	21,149.73	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	60,250.28	329,043.93
April 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	49,749.98	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,432.88	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	45,290.32	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	20,534.10	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	59,578.30	329,043.93
May 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	49,187.45	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.16	6,340.22	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	44,315.29	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	19,916.93	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	58,904.64	329,043.93
June 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	48,623.51	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,247.34	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	43,337.82	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	19,298.23	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	58,229.29	329,043.93
July 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	48,058.16	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,154.22	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	42,357.90	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	18,677.97	267,400.74

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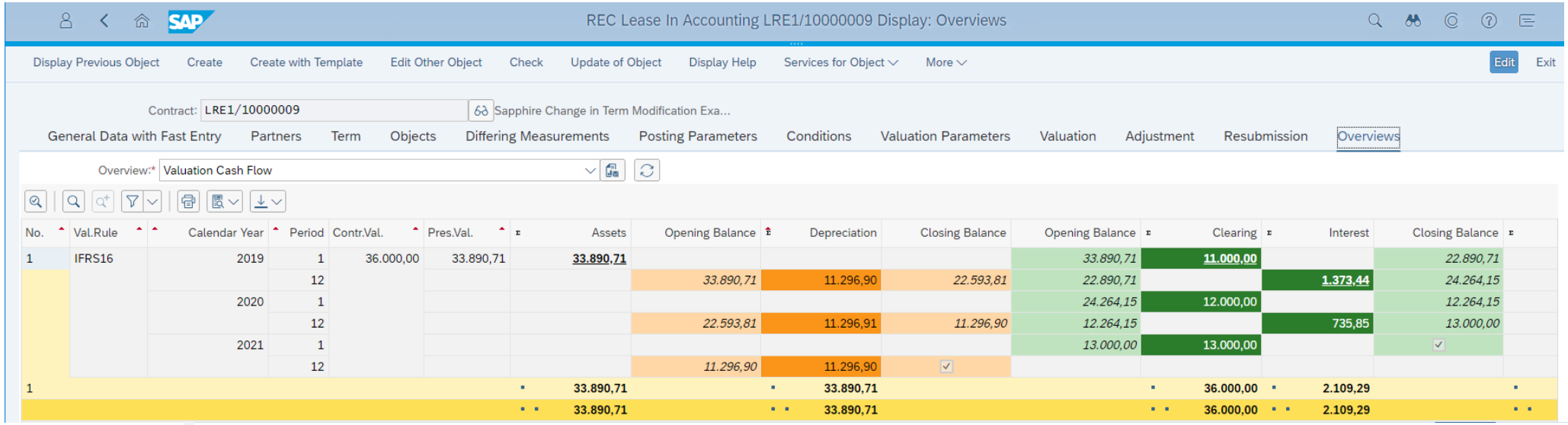
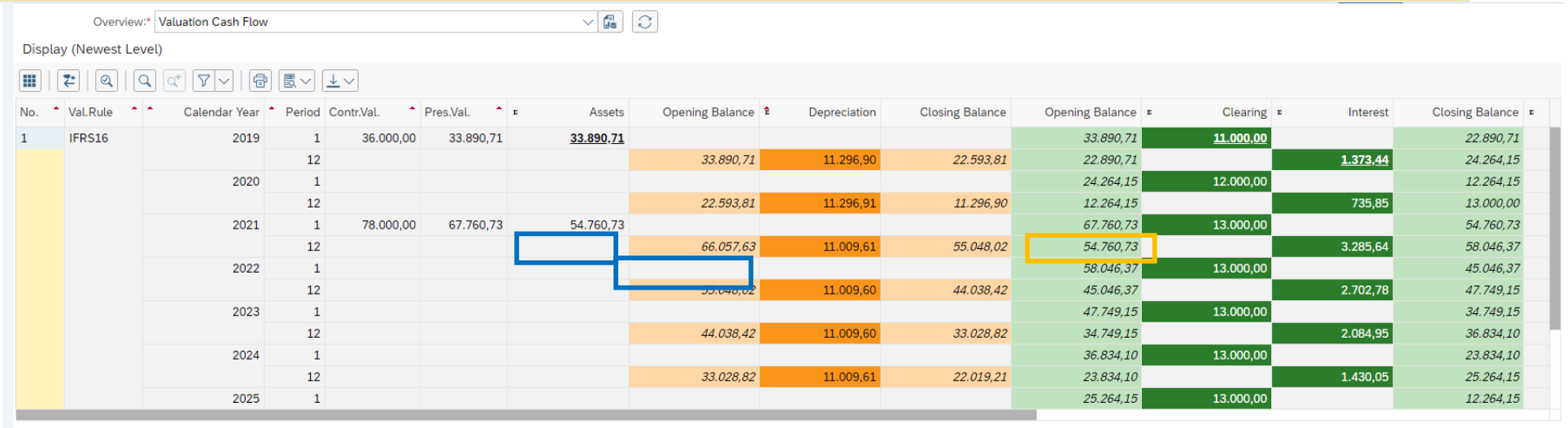
Automatic update of all financial calculations and postings



No.	Val.Rule	Calendar Year	Period	Contr.Val.	Pres.Val.	Assets	Opening Balance	Depreciation	Closing Balance	Opening Balance	Clearing	Interest	Closing Balance
1	IFRS16	2019	1	36.000,00	33.890,71	33.890,71				33.890,71	11.000,00		22.890,71
			12				33.890,71	11.296,90	22.593,81	22.890,71		1.373,44	24.264,15
		2020	1							24.264,15	12.000,00		12.264,15
			12				22.593,81	11.296,91	11.296,90	12.264,15		735,85	13.000,00
		2021	1							13.000,00	13.000,00		
			12				11.296,90	11.296,90					
1						33.890,71		33.890,71			36.000,00	2.109,29	
						33.890,71		33.890,71			36.000,00	2.109,29	



No.	Val.Rule	Calendar Year	Period	Contr.Val.	Pres.Val.	Assets	Opening Balance	Depreciation	Closing Balance	Opening Balance	Clearing	Interest	Closing Balance
1	IFRS16	2019	1	36.000,00	33.890,71	33.890,71				33.890,71	11.000,00		22.890,71
			12				33.890,71	11.296,90	22.593,81	22.890,71		1.373,44	24.264,15
		2020	1							24.264,15	12.000,00		12.264,15
			12				22.593,81	11.296,91	11.296,90	12.264,15		735,85	13.000,00
		2021	1	78.000,00	67.760,73	54.760,73				67.760,73	13.000,00		54.760,73
			12				66.057,63	11.009,61	55.048,02	54.760,73		3.285,64	58.046,37
		2022	1							58.046,37	13.000,00		45.046,37
			12				55.048,02	11.009,60	44.038,42	45.046,37		2.702,78	47.749,15
		2023	1							47.749,15	13.000,00		34.749,15
			12				44.038,42	11.009,60	33.028,82	34.749,15		2.084,95	36.834,10
		2024	1							36.834,10	13.000,00		23.834,10
			12				33.028,82	11.009,61	22.019,21	23.834,10		1.430,05	25.264,15
		2025	1							25.264,15	13.000,00		12.264,15

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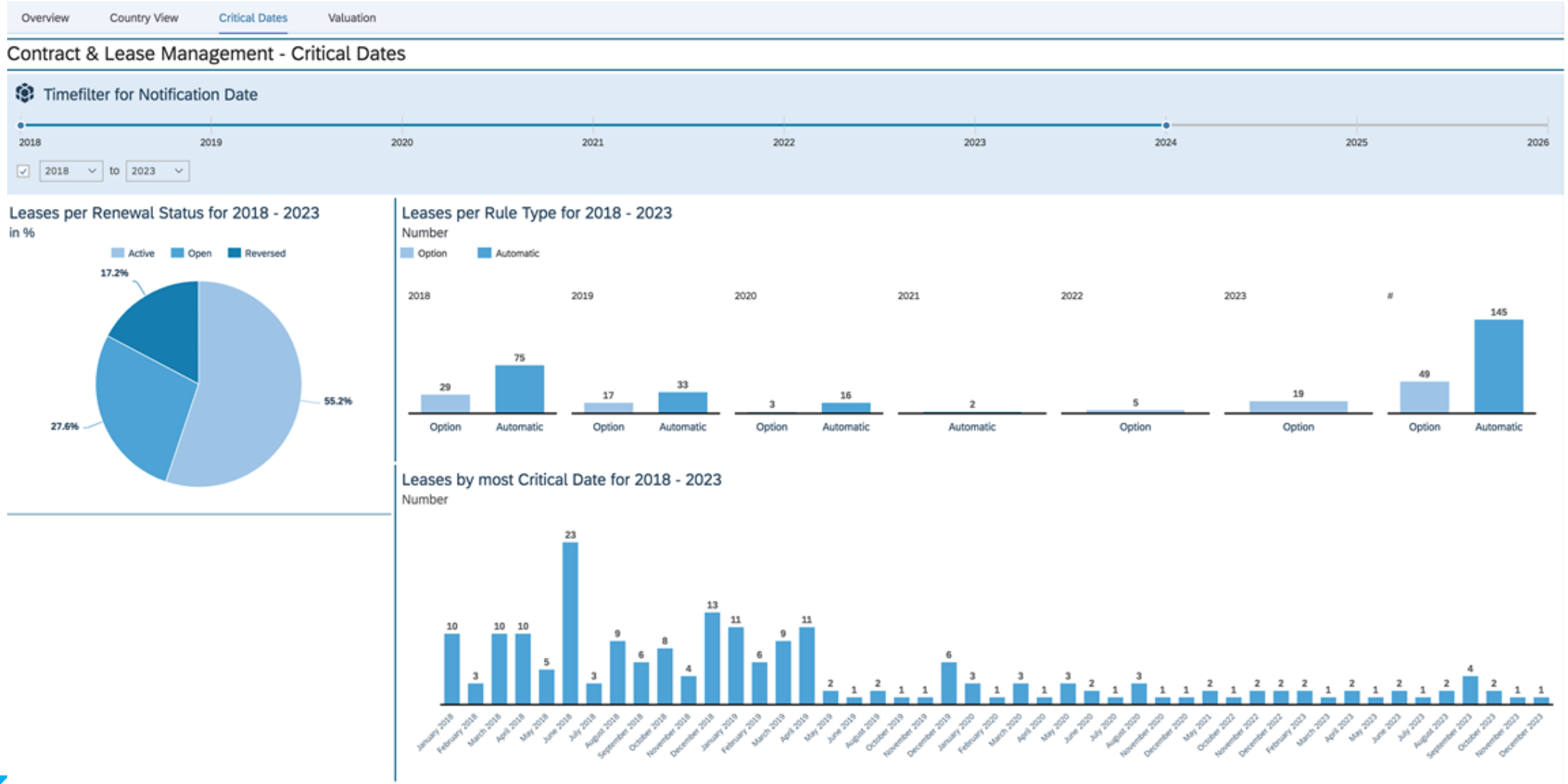
Critical Dates Management



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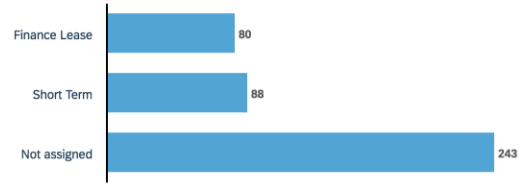
Analysis of Lease Valuations

Overview | Country View | Critical Dates | Valuation

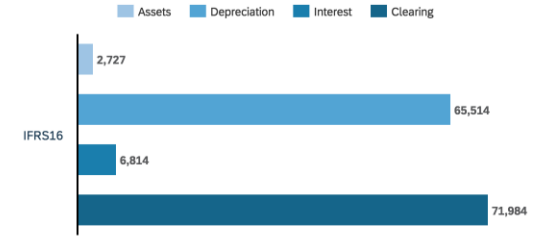
Contract & Lease Management - Valuation

Number of Records per Valuation Relevance



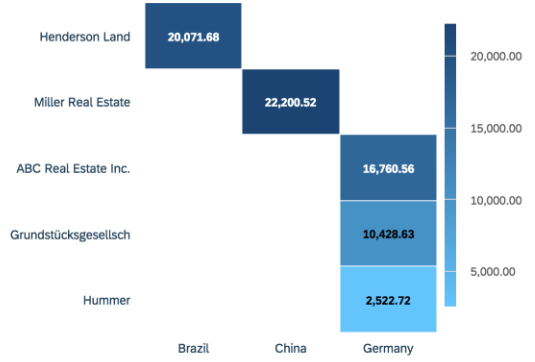
Contract Portfolio by Cash Flow Type

in Thousand EUR



Clearing per Contract Partner and Country

in Thousand EUR



Valuation - Cash Flow Overview

in EUR | Hidden | 5 sorts applied

							MEASURES	Assets	Depreciation	Interest	Clearing
FISCAL YEAR / PERIOD	COMPANY CODE	CONTRACT	COUNTRY (DI...	COUNTRY (SH...	CONTRAC...	CONTRA...	END OF TERM				
October 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	53,095.84	274,763.27
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		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	24,204.91	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	63,585.15	329,043.93
November 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	52,541.67	274,763.27
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	50,129.15	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	23,596.93	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	62,921.50	329,043.93
December 2018	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	51,986.12	274,763.27
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	49,166.21	435,304.38
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		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	62,256.20	329,043.93
January 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	51,429.18	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999	2,727,280.00	40,048.17	6,709.46	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	48,200.86	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	22,376.38	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	61,589.23	329,043.93
February 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	50,870.84	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.16	6,617.50	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	47,233.10	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	21,763.82	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	60,920.59	329,043.93
March 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	50,311.11	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,525.30	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	46,262.93	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	21,149.73	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	60,250.28	329,043.93
April 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	49,749.98	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,432.88	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	45,290.32	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	20,534.10	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	59,578.30	329,043.93
May 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	49,187.45	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.16	6,340.22	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.44	44,315.29	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	19,916.93	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	58,904.64	329,043.93
June 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.31	48,623.51	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,247.34	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	43,337.82	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.84	19,298.23	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	58,229.29	329,043.93
July 2019	LRE1 LRE1	REC LRE1/138	DE	Germany	ABC Real E...	01.01.1995	31.12.9999		242,288.30	48,058.16	274,763.27
		REC LRE1/169	DE	Germany	Hummer	26.12.2010	31.12.9999		40,048.17	6,154.22	43,495.20
		REC LRE1/17	CN	China	Miller Real ...	30.12.2007	31.12.9999		405,264.45	42,357.90	435,304.38
		REC LRE1/23	DE	Germany	Grundstück...	26.12.2010	31.12.9999		252,621.85	18,677.97	267,400.74
		REC LRE1/25	BR	Brazil	Henderson ...	26.12.2010	31.12.9999		293,295.59	57,552.25	329,043.93

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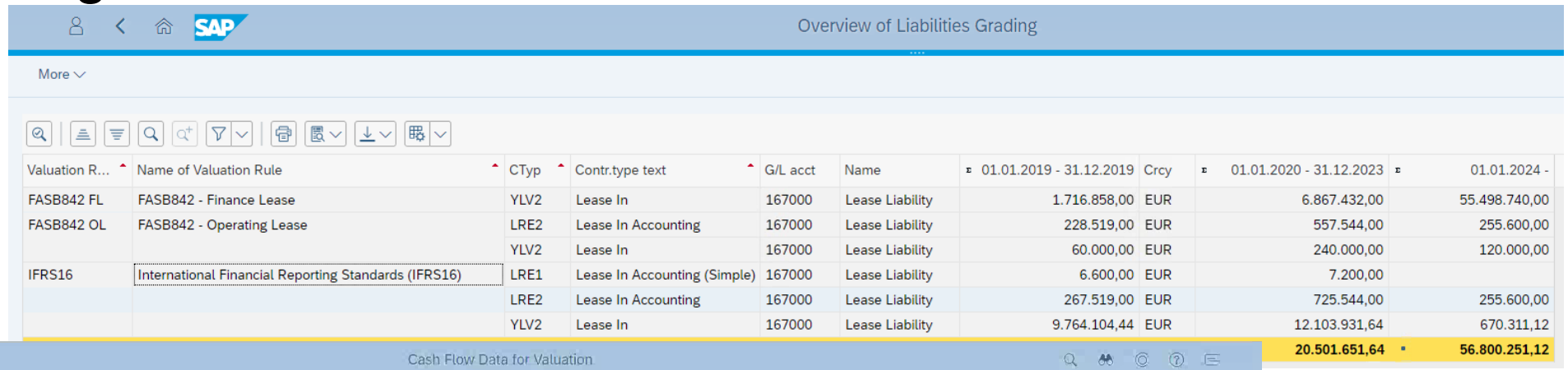
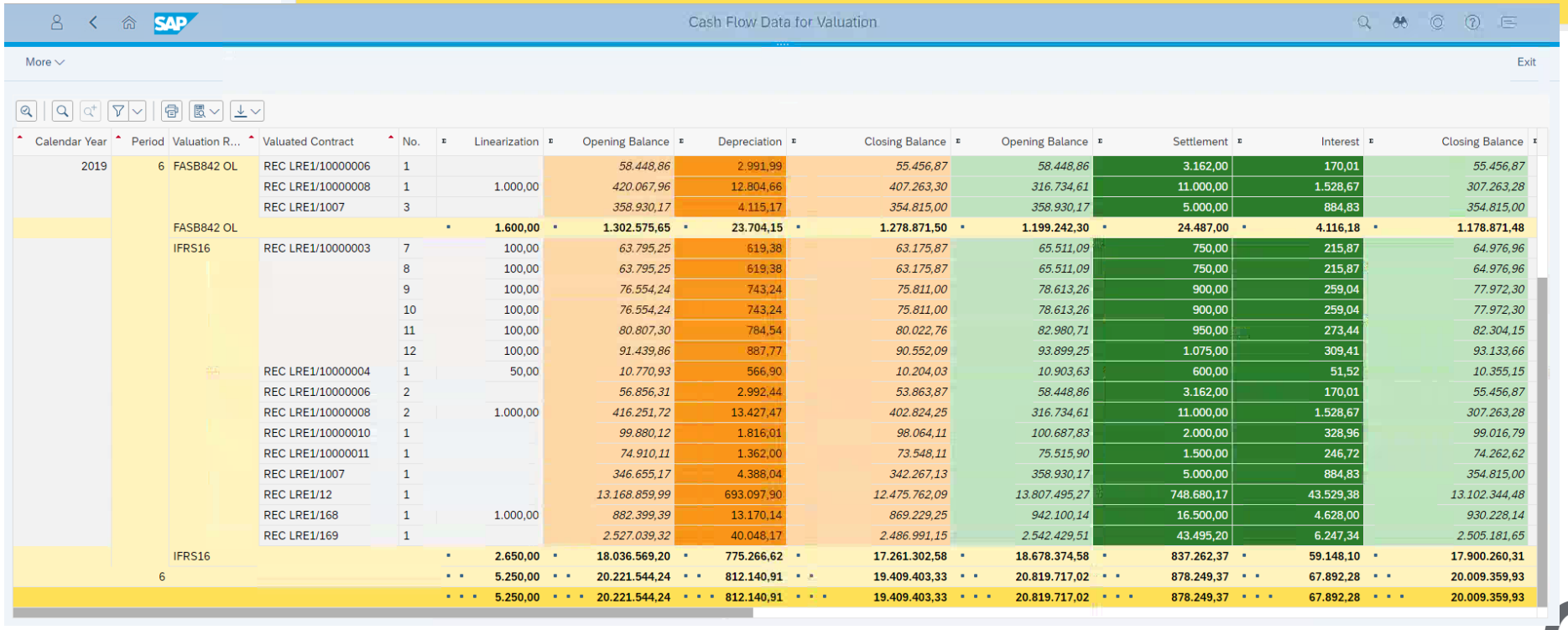
Disclosure Reporting



Valuation R...	Name of Valuation Rule	CTyp	Contr.type text	G/L acct	Name	01.01.2019 - 31.12.2019	Crcy	01.01.2020 - 31.12.2023	01.01.2024 -
FASB842 FL	FASB842 - Finance Lease	YLV2	Lease In	167000	Lease Liability	1.716.858,00	EUR	6.867.432,00	55.498.740,00
FASB842 OL	FASB842 - Operating Lease	LRE2	Lease In Accounting	167000	Lease Liability	228.519,00	EUR	557.544,00	255.600,00
		YLV2	Lease In	167000	Lease Liability	60.000,00	EUR	240.000,00	120.000,00
IFRS16	International Financial Reporting Standards (IFRS16)	LRE1	Lease In Accounting (Simple)	167000	Lease Liability	6.600,00	EUR	7.200,00	
		LRE2	Lease In Accounting	167000	Lease Liability	267.519,00	EUR	725.544,00	255.600,00
		YLV2	Lease In	167000	Lease Liability	9.764.104,44	EUR	12.103.931,64	670.311,12
								20.501.651,64	**56.800.251,12**



Calendar Year	Period	Valuation R...	Valuated Contract	No.	Linearization	Opening Balance	Depreciation	Closing Balance	Opening Balance	Settlement	Interest	Closing Balance
2019	6	FASB842 OL	REC LRE1/10000006	1		*58.448,86*	2.991,99	*55.456,87*	*58.448,86*	3.162,00	170,01	*55.456,87*
			REC LRE1/10000008	1	1.000,00	*420.067,96*	12.804,66	*407.263,30*	*316.734,61*	11.000,00	1.528,67	*307.263,28*
			REC LRE1/1007	3		*358.930,17*	4.115,17	*354.815,00*	*358.930,17*	5.000,00	884,83	*354.815,00*
		FASB842 OL			**1.600,00**	**1.302.575,65**	**23.704,15**	**1.278.871,50**	**1.199.242,30**	**24.487,00**	**4.116,18**	**1.178.871,48**
		IFRS16	REC LRE1/10000003	7	100,00	*63.795,25*	619,38	*63.175,87*	*65.511,09*	750,00	215,87	*64.976,96*
				8	100,00	*63.795,25*	619,38	*63.175,87*	*65.511,09*	750,00	215,87	*64.976,96*
				9	100,00	*76.554,24*	743,24	*75.811,00*	*78.613,26*	900,00	259,04	*77.972,30*
				10	100,00	*76.554,24*	743,24	*75.811,00*	*78.613,26*	900,00	259,04	*77.972,30*
				11	100,00	*80.807,30*	784,54	*80.022,76*	*82.980,71*	950,00	273,44	*82.304,15*
				12	100,00	*91.439,86*	887,77	*90.552,09*	*93.899,25*	1.075,00	309,41	*93.133,66*
			REC LRE1/10000004	1	50,00	*10.770,93*	566,90	*10.204,03*	*10.903,63*	600,00	51,52	*10.355,15*
			REC LRE1/10000006	2		*56.856,31*	2.992,44	*53.863,87*	*58.448,86*	3.162,00	170,01	*55.456,87*
			REC LRE1/10000008	2	1.000,00	*416.251,72*	13.427,47	*402.824,25*	*316.734,61*	11.000,00	1.528,67	*307.263,28*
			REC LRE1/10000010	1		*99.880,12*	1.816,01	*98.064,11*	*100.687,83*	2.000,00	328,96	*99.016,79*
			REC LRE1/10000011	1		*74.910,11*	1.362,00	*73.548,11*	*75.515,90*	1.500,00	246,72	*74.262,62*
			REC LRE1/1007	1		*346.655,17*	4.388,04	*342.267,13*	*358.930,17*	5.000,00	884,83	*354.815,00*
			REC LRE1/12	1		*13.168.859,99*	693.097,90	*12.475.762,09*	*13.807.495,27*	748.680,17	43.529,38	*13.102.344,48*
			REC LRE1/168	1	1.000,00	*882.399,39*	13.170,14	*869.229,25*	*942.100,14*	16.500,00	4.628,00	*930.228,14*
			REC LRE1/169	1		*2.527.039,32*	40.048,17	*2.486.991,15*	*2.542.429,51*	43.495,20	6.247,34	*2.505.181,65*
		IFRS16			**2.650,00**	**18.036.569,20**	**775.266,62**	**17.261.302,58**	**18.678.374,58**	**837.262,37**	**59.148,10**	**17.900.260,31**
	6				**5.250,00**	**20.221.544,24**	**812.140,91**	**19.409.403,33**	**20.819.717,02**	**878.249,37**	**67.892,28**	**20.009.359,93**
					5.250,00	**20.221.544,24**	**812.140,91**	**19.409.403,33**	**20.819.717,02**	**878.249,37**	**67.892,28**	**20.009.359,93**

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Agenda

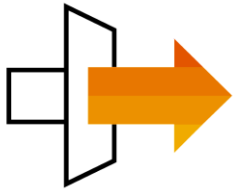
1. Complying with the new lease accounting standards – GASB, FASB, IFRS
2. Optimize – Leveraging technology for lease compliance –

   Tom Anderson, Product Owner
3. **Demonstration – SAP Real Estate/Contract & Lease Mgmt –**

   John Chapman, Solution Engineer
4. Summary and transition options to SAP Real Estate/Contract and Lease Management

Transform via Automation

Strategic focus on optimizing leasing processes



Transform via Automation

- Prioritize organizational needs – capabilities matrix/maturity profile/**strategic focus**
- Greater use of **standardized processes** aligned to desired performance
- Understand and actively utilize “Compliance Lens” through repeatable use of **dashboards and analytics** to improve insights and drive actions
- Maximum/Optimal integration among systems and processes
- **Continuous management** and improvement of data quality and management as an enterprise asset
- Continuous close and constant insight into compliance

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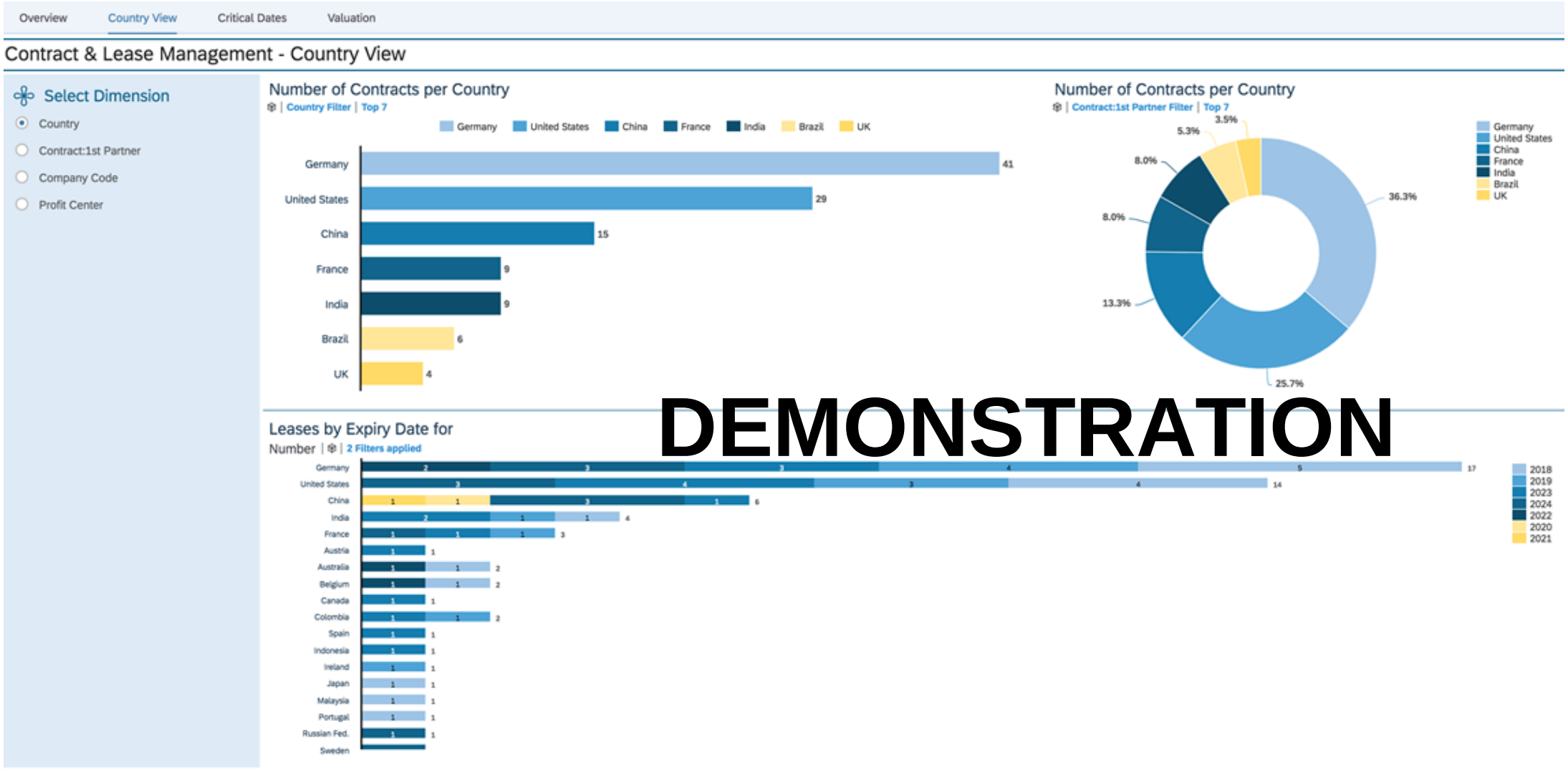
Portfolio Overview



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Agenda

1. Complying with the new lease accounting standards – GASB, FASB, IFRS
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SAP Contract and Lease Management

Enabling the transformation of lease accounting

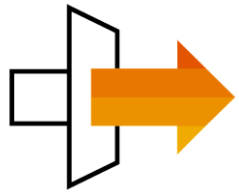
Comply

- GASB87/ASC842/IFRS16 Compliance
- Built-In Basic Disclosures Sync'd with GASB
- Integrated with ECC and S/4
- Increased internal controls/lower audit costs

Optimize

- Automated Lease Processing
- Simplified Lease Modifications
- Ability to update and do Lease Buy Decisions
- Multi-jurisdictional capability to improve filings
- Ability to Balance Views Across Real Estate and Movables
- Integration to Sourcing Networks

Transform



- Integrated to SAP S/4 and ECC
- Advanced Analytics via SAP Analytics Cloud
- Dashboards to Provide Real-time Insights for proactive management
- Allows for real-time What If analysis for Lease/Buy Decisions
- Integration With Treasury to Manage Capital Structure

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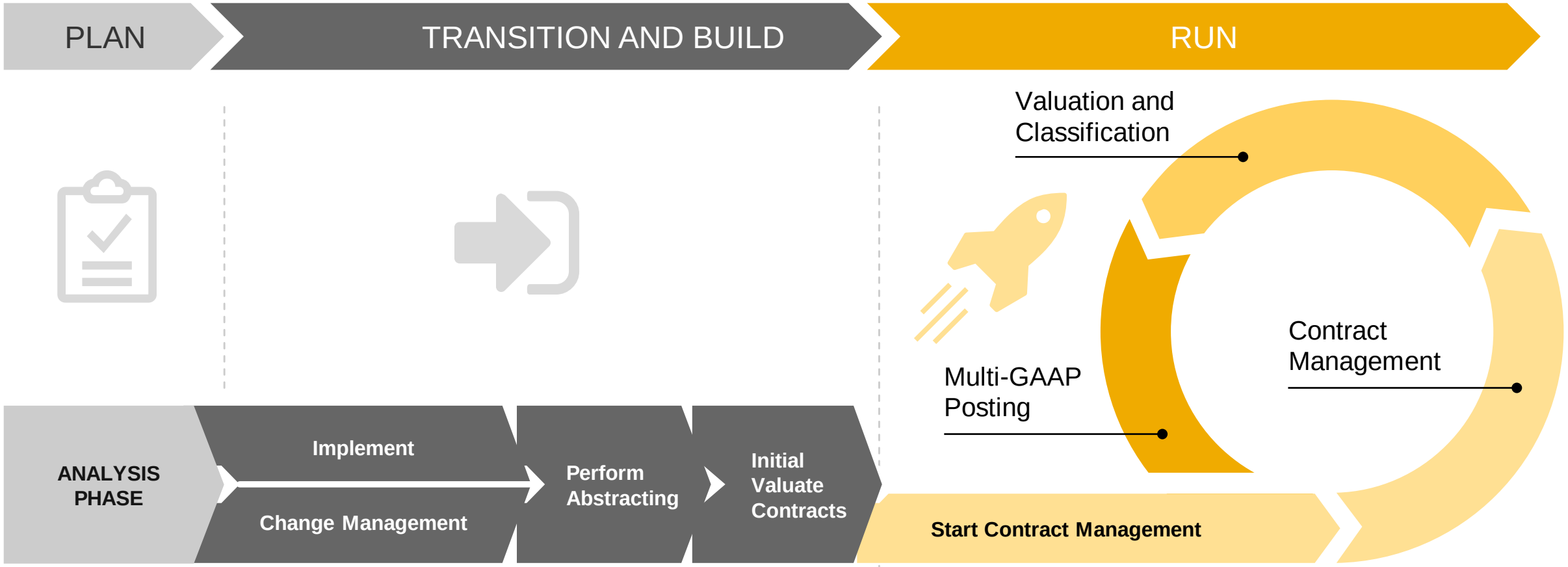
SAP Contract and Lease Management

Get ready for the new Standards



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SAP Contract and Lease Management
How to get started

Information Materials

- SAP.com
- Overview note 2255555
- SAP help
- Partner JAM page

Training Materials

- SAP Training RE050
  - Classroom
  - Virtual Training
- SAP Press: Leasing with SAP RE-FX
- SAP Demo Cloud
  - Demo 15341 - SAP S/4HANA Cloud REFX Equipment Leasing IFRS16
  - Demo 13721 - S/4HANA: Lease Valuation for New Accounting Standards

Implementation Support

- Delivered example customizing:
  - 2403881 - BC set delivery customizing
- Consulting notes:
  - 2580277 - Account determination
  - **2544232 - Handling transition scenarios**
  - 2568784 - Integration with FI-AA
  - 2555105 - Explanation of calculations
  - 2662137 – Frequently Asked Questions

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Thank you.

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