

Oracle Fusion Cloud Financials

Using Lease Accounting

22C



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1 Introduction to Lease Accounting

Overview of Lease Accounting

Oracle Lease Accounting is a financial application that helps create and maintain leases in a single repository.

Lease Accounting provides the ability to capture information such as lease details, assets, payments, and options. A lease validation process ensures quality data before activation. The amortization engine calculates the present value of the leases.

Lease Accounting also calculates the amortization of the right-of-use and the lease liability balances according to IFRS16 and ASC842.

The new accounting standards introduced in the past few years have transformed accounting rules that lessees must follow to comply. Lease Accounting has the following features:

- To help you manage and process leases to comply with IFRS16, ASC842, or both these accounting standards in a touch-free and seamless manner.
- To improve planning with a single repository of all lease obligations.
- To generate calculations for balance sheet balances and expenses.

Key Features

Oracle Lease Accounting has the key features of lease creation, generating amortization schedules, and maintaining accounting balances.

Lease Accounting helps you do the following activities:

- Create property and equipment leases.
- Capture cash schedules needed for the generation of balances and invoices.
- Generate balances required as specified by IFRS16 and ASC842 guidelines.
- Generate amortization schedules using daily compounding interest and daily amortizations.

Lease Accounting creates the cash schedules with amortizations when you opt to generate schedules. With this information, Lease Accounting generates the balances for right-of-use and lease liability balances based on different periods.

Lease Accounting calculates the balances and amortizations by discounting the cash flows using the discount rates on the lease.

Note: Currently, the only interest calculation method is the 'Daily Compounding Interest.' The amortization method is 'Daily' or 'Periodical' amortization.

Using this information on the cash flows, Lease Accounting calculates the initial measurement amounts, which the standards require.

Key Implementation Steps

You must complete the product setups before using the Oracle Lease Accounting features.

The product setups are as follows:

System Options

The system options definition is the primary step for creating setups for Lease Accounting.

You must set up the Payables Financials options before setting up the system options.

The system options define all major calculation options, namely:

- You must provide the business unit and ledger.
- You must provide the primary and secondary applicable accounting standards. The options are IFRS16 or ASC842. If the primary is IFRS16, then the secondary will be ASC842 if both accounting standards are applicable for reporting and vice versa.
- You must provide the amortization method.
- You must provide a currency conversion type of user, corporate, and such from General Ledger. Lease Accounting uses the conversion type on the lease for foreign exchange payments.
- You must enable auto-numbering for leases and assets.
- You must provide the inventory organization needed for leasing from the inventory master.
- You must provide a GL calendar for calculations. If you don't select the calendar, then Lease Accounting uses the primary ledger's calendar for calculations.
- You must select either Yes or No for Payables Integration.
You must opt for the Payables Integration option in the implementation process to initiate the accounting processes.

Lease Accounting Setups

Enable Lease Accounting Features

Discount Rate Indexes

You can use the discount rate index to capture discount rates required to discount the cash flows.

Lease Accounting uses the discount rates effective on the amortization start date to discount the cash flows on the lease.

You can define multiple discount rate indexes for a business unit. Lease Accounting collects the discount rate indexes into logical buckets such as 20-year leases, 10-year leases, and such.

Lease Accounting associates the discount rate indexes with the lease based on the lease amortization dates. Lease Accounting fetches a particular discount rate from the index and uses it to discount the cash flows.

You must provide the following information to enable a discount rate index:

- You must provide the business unit.

- You must provide the name and description of the index.

The name and description help you group the indexes into a 10-year bucket, 15-year bucket, and so on, or some other logical grouping.

- You must provide a series of discount rates with the nonoverlapping Effective From and Effective To dates.
- You must also provide an effective start date on the header of the index.

Lease Accounting Setups

Enable Lease Accounting Features

Payment Term Templates

You can use the payment term templates for defining payments.

Most of the information needed to define a payment defaults from payment term templates.

The service for the payment term then creates the payment term template.

Lease Accounting creates the payment term template for a business unit. Lease Accounting selects it during the payment creation, which aids in quicker and error-free data entry.

A payment term template requires the following information:

- You must provide the name of the template.
- You must provide a brief description.
- You must provide the payment purpose and type.
- You must provide the frequency of the payment.
- You must provide the supplier's name and site.
- You must provide the accounting classes for Right of Use, Lease Liability, Expenses, Gain/Loss, and Foreign Exchange Gain/Loss, among others.
- If required, you must agree to use the balances for Right-of-Use, Liability, and Intercompany.

Lease Accounting Setups

Enable Lease Accounting Features

Descriptive Flexfields

Lease Accounting provides the following three sets of descriptive flexfields:

- Manage Lease Accounting Transaction Descriptive Flexfields
- Manage Lease Accounting Configuration Descriptive Flexfields
- Manage Subledger Accounting Descriptive Flexfields

Other Lease Accounting Setups

Document Sequencing

You must assign a document sequence to the business unit to enable the auto-numbering functionality of leases and assets.

Roadmap for Setting Up

Overview of Lease Landing Page: Lease Display Section

After you complete the all the required setups, you can start creating leases and their assets, payments, and options.

You can reach the lease landing page from the Navigator by clicking Lease Accounting and then Leases.

The Lease Landing page is divided into the following three sections:

- Lease Display
- Side Panel
- Search Leases

In the lease display section, you can view the lease information based on the search. You can use the Action menu or the toolbar to take further action on the leases.

You can use the following actions:

- New: You can open a new lease using this action item.
- Edit: You can edit an existing lease using this action item. You can edit only the leases that are in Draft status.
- Export to Excel: You can export the search results of leases to a spreadsheet.
- Amend Lease: You can create an amendment on a lease.
- Resume Changes: You can resume working on a saved amendment.
- View Changes: You can view the changes you have made on a saved amendment.
- Manage Options: You can cancel or exercise the options on a lease or an asset.
- Terminate Leases: You can end a lease before its tenure.

View Active Leases

You can't update active leases. You can view an active lease in a read-only mode by either clicking the lease number for the search results or selecting View from Actions in the lease search.

Overview of Lease Landing Page: Side Panel Features

The side panel provides access to lease activities for payment and accounting. You can access the Lease Accounting Dashboard from here. You can also generate the Lease reports.

The side panel has the following sections:

- Leases
 - Create Lease
 - Import Leases
 - Lease Accounting Dashboard

- Process Lease Expiration
- Payments
 - Process Lease Payments
- Accounting
 - Create Accounting
 - Create Adjustment Journal
 - Review Journal Entries
 - Process Lease Accounting
 - Manage Accounting Errors
- Reports
 - Generate Lease Liability Analysis Report

Refer to Side Panel Operations and Reports chapters for further information.

Related Topics

- [Viewing Lease Accounting Dashboard](#)

Overview of Lease Landing Page: Search Leases

The search section displays the search parameters for leases. You can use the advanced option to deep search with more search parameters. You can also save searches for future use.

Once you have created a lease, you can search for it from the header section of the Lease Landing page.

Search Leases

1. The following fields are available as search parameters:

Field	Description
Business Unit	You can search on the basis of the business unit.
Lease Number	You can search on the basis of the lease number.
Lessor	You can search on the basis of the lessor of the lease.
Lease Start Date	You can search on the basis of the start date of the lease.
Legal Entity	You can search on the basis of the legal entity of the lease.

Field	Description
Lease Name	You can search on the basis of the name of the lease.
Asset Type	You can search on the basis of the type of asset.
Accounting Classification	You can search on the basis of the account class.
Status	You can search on the basis of the lease status.

2. Click Search.
3. Oracle Lease Accounting displays the results in the Lease Display section of the Lease Landing page.
4. Click the lease number to open the lease details.
5. Click Save to retain the search information.
6. If needed, you can use Reset to clear the search information.
7. Use Advanced Search to search using specific lease information.

2 Lease Creation

Overview of Lease Creation

Oracle Lease Accounting divides the lease creation process into different tabs. The tabs include different aspects of the lease.

Lease Accounting organizes the lease creation page into the following tabs:

- The **Overview** tab contains key lease information, accounting classification, and expense amortization details. You can search for existing lease contracts in the header region.

Create Leases

- The **Assets** tab has the asset information. For property contracts, the Assets tab includes information such as tenancy dates and location. For equipment contracts, the Assets tab includes the item, model, number of units, and location.

Create Assets

- The **Payments** tab displays the payment details, including disbursement terms, schedules, and accounting treatment for the payments.

Create Payment Terms

- The **Options** tab displays the option details, including disbursement terms, schedules, and accounting treatment for the options.

Create Options

- The **Validations** tab ensures that all the information is correct before generating cash flows and the amortization schedules. Any errors in the validation process appear in the Validations tab.

Validate Leases

- The **Schedules** tab displays the generated schedules for the lease. Lease Accounting removes the schedules once the lease is active and gives the schedules in the Lease Details report. Lease Accounting generates and attaches the Lease Details report to each version of the lease every time the active lease changes.

Generate Lease Schedules

- The **Attachments** tab enables you to attach or remove documents to the lease.

Add Attachments to a Lease

- The **History** tab displays the historical information of the lease, including each amended version of the lease.

Lease History

The lease goes through various stages before you can activate it for use.

Lease Statuses

Use the lease statuses to monitor the creation and approval of your lease.

Status	Version Status	What Happens to the Lease?
Draft	Working	Oracle Lease Accounting drafts the lease but doesn't submit it yet.
Draft	Validated	Lease Accounting validates the lease but doesn't generate the schedules yet.
Draft	Completed	Lease Accounting generates the schedules.
Active	Booked	Lease Accounting activates the lease.
Active	Finalized	<p>Lease Accounting generates and attaches the Lease Details report.</p> <p>Note: Lease Accounting only allows all the downstream processes for the lease on active and finalized leases. The downstream processes could be accounting, accruals, generation of AP invoices, amendments, and such. You can reach the 'Finalized' version status by attaching the Lease Details report.</p> <p>Note: You must enable the ORA_FLA_OPTIN_OPTIONS lookup if the Attach Lease Details Report button is disabled.</p>

Create Leases

You can start the lease creation from the Lease landing page.

You can start by using one of the following three ways:

1. Click New from the Actions menu to open the Create Lease page.
2. Click (+) from the menu.
3. Click Create Leases from the side panel.

Create Lease Page:

You need to enter the following information on the Create Lease page:

Field	Description
Business Unit	Select the business unit of the lease.

Field	Description
Legal Entity	Select the legal entity.
Lease Start Date	Select the start date of the lease.
Lease End Date	Select the end date of the lease.
Lessor	Select the name of the lessor of the lease.
Asset Type	<p>Select the type of asset.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> Property Lease Equipment Lease
Accounting Classification	<p>Select the accounting classification.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> Finance Lease Operating Lease Exempt
Discount Rate Index	Select the discount rate index for the lease.

Click Save and Continue

Oracle Lease Accounting displays the entire lease contract, and you can include information about the lease in the various tabs.

Overview Tab:

You can add or update the following lease information under the Lease Details section:

Field	Description
Lease Name	Retain or change the lease name.
Accounting Classification	You can view the accounting classification.
Description	Enter a description for the lease.
Asset Type	You can view the asset type of the lease.
Options Class	You can select whether the options on the lease are at Lease level or Asset level.

Field	Description
Payment Increase Applicable	Select Yes or No to enable Payment Increase for the lease. You must save the lease if you select Yes. The Payment Increase Agreements tab is now available.

In the Overview tab, you can view or add the notes for the lease under the Lease Details section.

1. Click the Note icon.
2. Click New (+) to display the Create Note page.

The following fields are available as part of the note creation for a property lease asset:

Field	Description
Type	Lease Accounting selects the Leasing Activities type note by default.
Private	Select the check box to make the note private and only visible to you.

You can add the following lease term information under the Term Details section:

Field	Description
Lease Start Date	Retain or change the lease start date.
Lease End Date	Retain or change the lease end date.
Lease Term	Lease Accounting displays the calculated lease term in Years, Months, and Days.
Date Signed On	Enter the signing date of the lease.

You can view or add the following amortization information under the Amortizations section:

Field	Description
Amortization Start Date	Select the amortization start date of the lease. The default date is the lease start date.
Amortization End Date	The amortization end date is the same as the lease end date.
Discount Rate Index	Retain or change the discount rate index.
Discount Rate	Lease Accounting displays the discount rate based on the selected discount rate index.

Field	Description
Proration Method	Select the amortization proration method. Your choices are as follows: <ul style="list-style-type: none">• Days/Month• 360 Days/Year
Rate Adder	Enter the rate adder for the amortization, if required. The rate adder gives an additional discount more than the provided discount rate in the discount rate index.

The amortization start date can be after the lease start date. If there are options on the lease, the amortization end date can differ from the lease end date. In this case, Lease Accounting derives the schedules and runs them between the amortization start and end dates.

The document details for a lease include who you assign to and who abstracts the lease.

You can view or add the following document information under the Document Details section:

Field	Description
Document Start Date	Select the document start date of the lease. The default date is the lease start date.
Document End Date	Select the document end date of the lease. The default date is the lease end date.
Abstracted By	Select who has abstracted the lease.
Assigned To	Select the lease assignee.

You can view or add the following migration information under the Migration section:

Field	Description
Migrated Lease	Select the check box if it is a migrated lease. You must calculate and enter the migration balances for operating and finance right-of-use amounts in the Migration Balances section.
Migration Date	The date of migration for the lease.

Note: Mark your lease as 'Migrated' if you're migrating the lease midlife. You can provide the carrying values of right-of-use balances, and Lease Accounting amortizes these balances on a going-forward basis. Lease Accounting calculates the lease liability, and you have to provide the right-of-use balances for initial measurement.

Create Assets

After adding the lease details in the Overview tab, you can enter the Asset information in the Assets tab.

Assets Tab:

Click New (+) to display the Create Asset page

The following fields are available as part of the asset creation for a property lease:

Field	Description
Location	Select the asset location.
Asset Start Date	Select the start date of the asset. The default value is the lease start date.
Asset End Date	The asset's end date is the same as the lease's end date.

Click Save and Close

For Property Leases

You can view or add the following asset information under the Asset Overview section on the Details tab:

Field	Description
Asset Number	Oracle Lease Accounting displays the asset number.
Asset Start Date	Retain or change the asset start date.
Asset End Date	Retain or change the asset end date.
Asset Amortization End Date	Lease Accounting displays the end date for asset amortization.
Asset Status	Lease Accounting displays the asset status.

You can view or add the following asset information under the Additional Details section on the Details tab:

Field	Description
Location	Retain or change the location of the asset.

Field	Description
Address	Lease Accounting displays the address of the location.
Area	Enter the area of the leased property. Select the unit from the drop-down list.
Employee	Select the employee assigned to the asset.

Note: The amortization of the asset may run up to the asset's end date if there are no options on the asset and if your asset's end date is earlier than the lease's end date.

You can view or add the notes for the asset under the Additional Details section on the Details tab.

1. Click the Note icon.
2. Click New (+) to display the Create Note page.

The following fields are available as part of the note creation for a property lease asset:

Field	Description
Type	Lease Accounting selects the Asset type note by default.
Private	Select the check box to make the note private and only visible to you.

For Equipment Leases

You can view or add the following asset information under the Asset Overview section on the Details tab:

Field	Description
Asset Number	Lease Accounting displays the asset number.
Item	Retain or change the item.
Model	Retain or change the model.
Units	Retain or change the units.
Asset Start Date	Retain or change the asset start date.
Asset End Date	Retain or change the asset end date.
Asset Status	Lease Accounting displays the asset status.

Field	Description

You can view or add the following asset information under the Additional Details section on the Details tab:

Field	Description
Location	Retain or change the location of the asset.
Address	Lease Accounting displays the address of the location.
Employee	Select the employee assigned to the asset.

You can view or add the notes for the asset under the Additional Details section on the Details tab.

1. Click the Note icon.
2. Click New (+) to display the Create Note page.

The following fields are available as part of the note creation for an equipment lease asset:

Field	Description
Type	Lease Accounting selects the Asset type note by default.
Private	Select the check box to make the note private and only visible to you.

You can view or add the serial numbers for the asset in the Serial Numbers tab.

1. Click New (+) to display the Create Serial Number row.
2. These fields are available as part of the serial number creation for an asset for an equipment lease:

Field	Description
Serial Number	Enter a serial number for the asset.
Employee	Select the employee name assigning the serial number.

Create Payment Terms

After adding the asset details in the Assets tab, you can enter the payment information in the Payments tab.

Payments Tab:

Click New (+) to display the Create Payment page.

The following fields are available as part of the payment term creation:

Field	Description
Payment Template	Select the payment term template.
Supplier	Select the supplier.
Supplier Site	Select the supplier site.
Asset Number	Select the asset.
Start Date	Select the payment start date.
End Date	Select the payment end date. If you select the payment end date, you can't enter the number of payments.
Amount	Enter the payment amount.
Arrears	Select arrears if the payment is made at the end of the payment cycle.
Payment Purpose	<p>Select the payment purpose.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Base Rent • Cleaning • Depreciation • Insurance • Operating Expense • Rent • Percentage • Allowance • Purchase <p>You can add more values as the payment purpose.</p>

Field	Description
Payment Type	<p>Select the payment type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Abatement • Appliance Rental • Base Rent • Common Area Maintenance • Cleaning • Deposit • Depreciation • Direct • Escalation • Payment for Option • Tenant Improvement • Insurance • Property Taxes <p>You can add more values as the payment type.</p>
Frequency	<p>Select the frequency of payment.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Annually • Monthly • One Time • Quarterly • Semiannually
Number of Payments	Enter the number of payments. If you enter the number of payments, you can't enter the payment end date.
Currency	Select the payment currency.

Click Save and Close.

You can either provide the Number of Payments or the end date of the payment for generation of payment schedule, but not both.

If the payment end date results in a partial month, Lease Accounting does the payment proration using the proration rule on the lease. Oracle Lease Accounting creates the prorated payment as a stub.

- For equipment lease, Lease Accounting always creates the stub in the last period of the payment.

- For property lease, Lease Accounting can create the stubs in the first payment period or last payment period, or both based on which period is partial.

You can update the automatically created stubs in the Payments tab.

Summary Subtab:

You can view or add the following payment information under the Overview section:

Field	Description
Payment Template	Displays the payment template name.
Number	Displays the payment number.
Payment Purpose	Retain or change the payment purpose.
Payment Type	Retain or change the payment type.
Payment Status	Displays the payment status.
Asset Number	Select the asset number, if you require.
Currency	Select the currency, if you require.

You can view or add the notes for the payment terms under the Overview section.

1. Click the Note icon.
2. Click New (+) to display the Create Note page.

The following fields are available as part of the note creation for a payment term:

Field	Description
Type	Leasing Activities type note is selected by default.
Private	Select the check box to make the note private and only visible to you.

The supplier section of the Payments: Summary tab in the Lease page gives the supplier information and the payment term information.

You can view or add the following payment information under the Supplier section:

Field	Description
Supplier	Retain or change the supplier name.
Supplier Site	Retain or change the supplier site.
Purchase Reference Number	Enter the purchase reference number.
Purchase Order Number	<p>Select the purchase order number as follows:</p> <ul style="list-style-type: none"> Click Search to open the Search and Select: Purchase Order page. Enter the purchase number in the search box and click Search. Select the purchase order from the displayed list. Click OK. Click Reset to clear the search values. Click Advanced for more search options.
Purchase Order Line	<p>Select the purchase order line number.</p> <ul style="list-style-type: none"> Click Search to open the Search and Select: Purchase Order Line page. Enter the line number, item description, or item code in the search box and click Search. Select the line from the displayed list. Click OK. Click Reset to clear the search values. Click Advanced for more search options.
Payment Term	Select the payment term.

You can view or add the following payment information under the Schedule section:

Field	Description
Start Date	Retain or change the payment term start date.
Frequency	Retain or change the payment frequency.
Arrears	Select the check box if there are arrears associated with the payment.

You can view the following payment information under the Payment Line section:

Field	Description
Line Number	Displays the payment line number.

Field	Description
Line Type	Select whether the payment is a Stub or Recurring.
Number of Payments	Retain or change the number of payments.
Amount	Retain or change the payment amount.
Line Start Date	Displays the payment line start date.
Line End Date	Displays the payment line end date.
First Payment Date	Retain or change the first payment date.

Click New (+) or select Add from the Actions menu to add more payment terms.

You can also split a payment line to make it modifiable for periods after the amendment commencement date.

If you create a payment increase agreement on a payment, Lease Accounting generates the schedules for the payment increase.

Lease Accounting displays the schedules in the Total Payment Schedules section.

You can view the following payment information under the Total Payment Schedules section:

Field	Description
Payment Line Reference	Displays the payment line reference number.
Line Type	Displays the payment line type.
Start Date	Displays the payment line start date.
Number of Payments	Displays the number of payments.
End Date	Displays the payment line end date.
Base Payment Amount	Displays the base payment amount.
Increase Amount	Displays the payment increase amount.
Final Amount	Displays the sum of base payment amount and increase amount as the final amount.

Accounting Subtab:

You can view or add the following payment information under the Compliance section:

Field	Description
Right of Use	<p>Select the right-of-use option to include the payment amount for calculating the right-of-use for the payment term.</p> <p>Use only this check box for capitalizing expenses into Right-of-Use without liability, such as Initial Direct Cost.</p> <p>You can now provide the migration balance amounts for Operating and Finance right-of-use.</p>
Liability	Select the liability option to include the payment amount for calculating the lease liability for the payment term.
Intercompany	Select the intercompany option to mark the schedules as intercompany.

You can view or add the following payment information under the Tax section:

Field	Description
Primary Intended Use	Select the primary intended use for the payment term.
Tax Classification	Select the tax classification for the payment term.
Tax Included	Select whether the tax is included for the payment term.
Withholding Tax Group	Select the withholding tax group for the payment term.
Product Category	Select the product category for the payment term.
Product Fiscal Classification	Select the product fiscal classification for the payment term.
Product Type	Select the product type for the payment term. Your choices are Goods or Services.
Transaction Business Category	Select the transaction business category for the payment term.
User-Defined Fiscal Classification	Select the user-defined fiscal classification for the payment term.

You can view or add the following payment information under the Migration Balances section:

Lease Accounting displayed this section if it is a migrated lease. You can select the migrated lease in the Overview tab. You have to enter the right-of-use balances for the migrated lease.

Field	Description
Operating Right of Use Amount	Enter the right-of-use balance amount for the operating lease.
Finance Right of Use Amount	Enter the right-of-use balance amount for the finance lease.

You can view or add the following payment information under the Accounting section:

Field	Description
Ledger Name	Select the ledger name for the payment term.
Account Name	Select the account name for the payment term.
Code Combination	Select the code combination for the payment term.

Click New (+) to add new accounting information.

Predefined SLA Integration

For account creation using SLA integration for accounting events, there are five event classes: Lease Booking, Lease Expense, Lease Revision, Lease Payments Approval, and Lease Termination.

You can add the following default accounts for both payment terms and options for a primary ledger as well as a secondary ledger:

Ledger Name	Account Name
Vision Operations (USA)	Right-of-Use
Vision Operations (USA)	Lease Expense
Vision Operations (USA)	Lease Liability
Vision Operations (USA)	Accumulated Amortization
Vision Operations (USA)	Amortization Expense
Vision Operations (USA)	Interest Expense
Vision Operations (USA)	Reserve
Vision Operations (USA)	Payables Clearing
Vision Operations (USA)	Payables Liability

Ledger Name	Account Name
Vision Operations (USA)	Gain or Loss
Vision Operations (USA)	Foreign Exchange Gain or Loss
Vision Operations (USA)	Noncompliance Expense
Vision Operations (USA)	Accrued Liability

Lease Accounting provides the following predefined Subledger Accounting components for five event classes (with complete SLA AMB components):

- Lease Booking
- Lease Expense
- Lease Revision
- Lease Payments Approval
- Lease Termination

Lease Accounting predefines the New Journal Sources, Categories, and Journal Rule Sets in the General Ledger and Subledger Accounting for carrying out the accounting for the five event classes.

You can use SLA to derive foreign exchange rates, which converts the payment currency schedules into functional currency.

Create Payment Increase Agreements

If you have selected the Payment Increase Applicable option in the Overview tab, you can create the payment increase agreement in the Payment Increase Agreement tab.

Rent increases automatically increase base rent by a fixed percentage or by an amount proportional to the index change for the remainder of the lease term. Fixed increases raise rental costs, while index increases protect property owners against inflation by raising the rent every year in proportion to hikes in consumer price indexes.

Apart from rents, other payments like parking and maintenance can also increase or decrease year on year. This change in rents is also called **Escalations**, especially if you estimate and agree upon earlier.

Rents or other payments can increase in varieties of methods:

- As a fixed percentage
- As a fixed amount
- As a percentage that's linked to an Index movement like Wholesale Price Index (WPI) or Consumer Price Index (CPI), and such
- Lower of a combination of the above methods

- Higher of a combination of the above methods

Definitions

- **Rent Increase:** Rent increase is an industry-wide accepted terminology to impart the understanding that any payment on a lease changes automatically with an earlier provided known percent increase or decrease or the change coming from an Index. Though it is called rent increase, you can subject any payment to a payment increase.
- **Rent Increase Index:** A Rent Increase index captures index numbers with corresponding periods or dates. For example, a WPI Index may capture the index number 100 for Jan-21, 103 for Feb-21, 105 for Mar-21, and so on. The index numbers are real-life-like numbers with a source in WPI or CPI or Currency fluctuations or Gold Price Index. Lease Accounting calculates a change percentage from the index numbers provided by you or from a web service.
- **Assessment Cycle:** The assessment cycle is the frequency with which you calculate the payment changes. For example, you may want to assess payments for payment changes once a year or semiannually. The assessment can be Annual and Semiannual.
- **Payment Basis Type:** Generally, the payment basis is the payment amount itself. It is the basis on which you apply the payment change percentage. For example, you may want to apply a payment percent of 5% on 75% of the payment amount applicable for the payment period.
- **First Assessment Date:** This is the first assessment date on the lease. This date can't be earlier than the lease start date and later than the lease end date.
- **Rent Increase Agreement Template (RI Agreement Template):** You create rent increase agreements at the business unit level. Lease Accounting defines the rent increase agreement for other payments such as Maintenance, Service, and such. Lease Accounting selects these agreements on individual leases. You can override certain parts of the agreements at the lease level, while you can override other parts of the agreement at the payment level.
- **Assessment in Years:** Lease Accounting assesses the payment increase/decrease per the number of years if the assessment cycle frequency is Yearly. For example, you can assess the rent increase once in 2 years.
- **Compound Basis:** You would generally choose a compound basis for calculation when the assessment is based on the previous year. Lease Accounting refers to basis as 'Compound,' when the payment basis is dependent on the previous year's base payment +/- payment increase. During compounding of basis, the rent increase is for the current assessment cycle is a sum of previous rent increase and previous basis.

Create Payment Increase Agreement

1. Click New (+) to display the Payment Increase Agreement page.
2. The following fields are available as part of creating payment increase agreement:

Field	Description
Agreement Template Name	Select the agreement template.
Agreement Name	Enter the agreement name.
Supplier	Select the supplier.
Default Relation Type	Select the default relation type.

Field	Description
	Your choice is Fixed Increase. You can either enter the fixed percentage or fixed amount as the increase.
Basis Adjustment Factor	Enter the basis adjustment factor, if you have entered the fixed increase percentage.
Fixed Increase Percentage	Enter the fixed increase percentage, if you haven't entered the fixed increase amount.
First Assessment Date	Select the first date of assessment.
Termination Date	Select the termination date.
Assessment Frequency	Select the frequency of the assessment. Your choices are annual and semiannual.
Currency	Select the currency of the agreement.
Assess in Years	Enter the years of assessment for the agreement.
Payment Purpose	<p>Select the payment purpose.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Base Rent ○ Cleaning ○ Depreciation ○ Insurance ○ Operating Expense ○ Rent ○ Percentage ○ Allowance ○ Purchase <p>You can add more values as the payment purpose.</p>
Fixed Increase Amount	Enter the fixed increase amount, if you haven't entered the fixed increase percentage.

3. Click Save and Close.

Payment Increase Agreements Tab:

You can view or add the following payment information under the Overview section:

Field	Description
Agreement Template Name	Displays the agreement template name.
Agreement Number	Displays the agreement number.
Agreement Name	Retain or change the agreement name.
Basis Adjustment Factor	Retain or change the basis adjustment factor, if you have entered fixed increase percentage.
Fixed Increase Percentage	Retain or change the fixed increase percentage, if you haven't entered the fixed increase amount.
First Assessment Date	Displays the first assessment date.
Termination Date	Retain or change the termination date.
Assessment Frequency	Displays the assessment frequency.
Currency	Displays the currency.
Assess in Years	Displays the assessment in years.
Payment Purpose	Retain or change the payment purpose.
Fixed Increase Amount	Retain or change the fixed increase amount, if you haven't entered the fixed increase percentage.

Click Generate Payment Increase from the Actions menu to generate the payment increase schedules.

Process for Generation of Payment Increase:

- You must define the payment increase agreement template.
- You can create agreements on leases using these templates.
- You can also define an agreement without using templates. Each agreement is for a unique combination of supplier and currency.
- Lease Accounting associates all the payments with the same purpose, currency, and supplier as the agreement.
- You can make the payment increases applicable on the Lease Overview tab for the selected lease. The Payment Increase Agreement tab is visible when you save the lease.
- Lease Accounting generates the assessment periods with the first assessment date and termination date as the start and end dates of these assessment periods. Lease Accounting generates each assessment period based on the assessment cycle of the agreement.
- Lease Accounting includes all the payments that are part of an assessment period for payment increase calculations.
- In the lease activation process, the Generate Payment Increase feature generates the payment increase schedules.

- When you generate the schedules, Lease Accounting calculates and displays all the final payments on the Payments tab.
- On lease activation, Lease Accounting automatically finalizes all the assessments before the lease amortization start date. Once Lease Accounting finalizes an assessment, any changes to payment and payment increase variables don't impact the already generated increases for that assessment period.
- After lease activation, Lease Accounting later finalizes the assessments during the amendments process. For example, if the ACD is 01-Jan-21, then Lease Accounting automatically finalizes all the assessment periods before the ACD when you finalize the amendment.
- Lease Accounting ties the payment increases to user-built indexes like CPI Index, Gold Price Index, and so on. These indexes are of the fixed or rolling types of indexes.
- The Process Index-based Assessments program finalizes and recalculates the payment increases based on indexes. The program looks at any finalized index values on the assessment date and recalculates based on the index movement.
- You can also base your payment increases by choosing to perform payment increases if the index value is missing. There can be missing indexes at the time of lease activation or on the assessment date.
- Lease Accounting bases the payment increase changes on the index known as 'Contingent' increases. For ASC842, contingent increases don't alter the ROU or Lease Liability balances. Lease Accounting expenses off the contingent increases as and when you know or derive them.
- For other types of payment increase changes, you have an option to choose term payment increases as 'Contingent' or 'Noncontingent' increases. Lease Accounting accounts for them accordingly.

Create Options

After adding the payment details on the Payments tab, you may enter the details for options on the Options tab.

Options Tab

Click New (+) to display the Create Option page.

1. The following fields are available as part of the option creation:

Field	Description
Payment Template	Select the payment term template.
Supplier	Select the supplier.
Supplier Site	Select the supplier site.
Option Type	<p>Select the option type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Adjustment

Field	Description
	<ul style="list-style-type: none"> ○ Allowance ○ Bargain Purchase ○ Construction Warranty ○ Early Termination ○ Expansion ○ Fair Market Value ○ Holdover ○ Purchase ○ Renewal ○ Residual <p>You can add more values for option type.</p>
Start Date	Select the payment start date.
Amount	Enter the payment amount.
Arrears	Select arrears if the payment is made at the end of the cycle.
Payment Purpose	<p>Select the payment purpose.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Base Rent ○ Cleaning ○ Depreciation ○ Insurance ○ Operating Expense ○ Rent ○ Percentage ○ Allowance ○ Purchase <p>You can add more values for payment purpose.</p>
Frequency	Select the frequency of payment.
Number of Payments	Enter the number of payments.

Field	Description
Currency	Select the currency of payment.

2. Click Save and Close.

You can view or add the following payment information under the Overview section:

Field	Description
Payment Template	Displays the payment template name.
Number	Displays the payment number.
Payment Purpose	Retain or change the payment purpose.
Option Type	Retain or change the option type.
Option Status	Displays the option status.
Currency	Retain or change the currency.

You can view or add the notes for the option under the Overview section.

1. Click the Note icon.
2. Click New (+) to display the Create Note page.

The following fields are available as part of the note creation for a payment term:

Field	Description
Type	Leasing Activities type note is selected by default.
Private	Select the check box to make the note private and only visible to you.

The supplier section of the Options: Summary tab on the Lease page gives the supplier information and the payment term information.

You can view or add the following payment information under the Supplier section:

Field	Description
Supplier	Retain or change the supplier name.

Field	Description
Supplier Site	Retain or change the supplier site.
Payment Term	Select the payment term.

You can view or add the following payment information under the Schedule section:

Field	Description
Start Date	Retain or change the payment term start date.
Frequency	Retain or change the payment frequency.
Arrears	You can select the check box if there are arrears associated with the payment

You can view the following payment information under the Options section:

Field	Description
Line Number	Displays the payment line number.
Line Type	Select whether the payment is a Stub or Recurring.
Number of Payments	Retain or change the number of payments.
Amount	Retain or change the payment amount.
Line Start Date	Displays the payment line start date.
Line End Date	Displays the payment line end date.
First Payment Date	Retain or change the first payment date.

Click New (+) or select Add from the Actions menu to add more options.

Options Tab: Accounting

You can view or add the following payment information under the Compliance section:

Field	Description
Right of Use	Select the right-of-use option to include the payment amount for calculation of the right-of-use for the option.

Field	Description
	Use only this check box for capitalizing expenses into Right-of-Use without liability, such as Initial Direct Cost.
Liability	Select the liability option to include the payment amount for calculating the lease liability for the option.
Intercompany	Select the intercompany option to mark the schedules as intercompany.

You can view or add the following payment information under the Accounting section:

Field	Description
Ledger Name	Select the ledger name for the option.
Account Name	Select the account name for the option.
Code Combination	Select the code combination for the option.

Click New (+) to add new accounting information.

Create Milestones

You can define milestones for notifications in the Milestones tab. You can send notifications to users or groups of users.

Use milestones to do the following:

- Record key lease events and due dates.
- Not miss options or other date-sensitive rights and duties.
- Automatically remind responsible parties as well as other stakeholders.

Milestones Tab:

Click New (+) to display the Create Milestones page.

The following fields are available as part of the milestones creation:

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none">• Lease Expiration

Field	Description
	<ul style="list-style-type: none"> Asset Expiration Exercise Option
Object Type	<p>Select the object type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> Lease Asset Payment Term Option
Object Number	Oracle Lease Accounting displays the object number.
Milestone Date	<p>Select the milestone date.</p> <p>This is the due date for the action associated to the milestone type. You must complete after receiving a notification.</p>
First Notice Date	<p>Select the first notice date.</p> <p>The first notice date is the date where the first notification or alert is sent to the user or user group. It can't be after the milestone date.</p> <p>If the frequency is One-Time, the first notification would be the only notification. The default first notice date is the milestone date. If you delete the milestone date and leave it blank, no notification is sent.</p>
Notification Frequency	<p>Enter the notification frequency. The default frequency is One-Time.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> One-Time Daily Weekly Monthly Quarterly Semi-Annual Annual

Click Save and Close.

Milestones Tab:

You can view or add the following milestone information under the Overview section:

Field	Description
Milestone Number	Lease Accounting generates and displays the milestone number.
Milestone Type	Lease Accounting displays the milestone type.
Object Type	Lease Accounting displays the object type.
Object Number	Lease Accounting displays the object number.
First Notice Date	Retain or update the first notice date.
Notification Frequency	Retain or update the notification frequency. The default frequency is One-Time.
Milestone Status	<p>Lease Accounting displays the status of the milestone.</p> <p>The list is as follows:</p> <ul style="list-style-type: none">• Pending (after milestone is created.)• Notified (after the first notification is submitted.)• Past Due (after Action Due Date, if any, is reached and the milestone is not Completed or Canceled (after you manually update it as such.)• Completed (after you mark the milestone as completed)• Canceled (after you cancel the milestone and the milestone is not yet Completed.)
Description	Enter a description for the milestone, if required.
Milestone Date	Retain or update the milestone date
Assigned To	Select the name of the person you assign the milestone to.

Click **Complete Milestone** to complete the milestone creation.

Click **Cancel Milestone** to cancel the creation of the milestone.

You can create milestones directly for assets, payment terms, or option directly from the Assets, Payment, and Options tabs using the Milestones subtab.

Create Rights

You can record lease document rights in the lease on the Rights and Obligations tab.

Use rights to have quick and convenient access in the lease pages to:

- Key contract entitlements and privileges.

Rights and Obligations Tab:

Click New (+) to display the Create Rights and Obligations page.

The following fields are available as part of the rights creation:

Field	Description
Right Type	<p>Select the right type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Parking • Holdover • Lease Audit • Sub-Lease • First Right of Refusal • Alterations • Roof Rights
Grant Type	<p>Select the grant type. Grant type indicates whether the lease specifically bestows the right upon the tenant.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Consult Legal • Silent • Yes • No
Reference	You can enter more details of the right here.
Key Date	<p>Select the key date.</p> <p>The key date is any important date for the right.</p>

Click Save and Close.

Rights and Obligations Tab: Rights Subtab

You can view or add the following right information under the Details section:

Field	Description
Right Number	Oracle Lease Accounting generates and displays the right number.
Right Type	Retain or update the right type.
Reference	You can enter more details of the right here.

Field	Description
Grant Type	Retain or update the grant type.
Right Status	Lease Accounting displays the right status.
Key Date	Lease Accounting displays the key date.

You can select a right directly from the table and click **Cancel** to cancel the right.

Create Obligations

You can record lease document obligations in the lease on the Rights and Obligations tab.

Use obligations to have quick and convenient access in the lease pages to:

- Responsibilities and duties inherent in the lease.

Rights and Obligations Tab:

Click New (+) to display the Create Rights and Obligations page.

The following fields are available as part of the obligations creation:

Field	Description
Obligation Type	<p>Select the obligation type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Health Club • Maintenance Related • Parking • Roof Rights • Security Services • TI Allowance
Responsibility Type	<p>Select the responsibility type. Responsibility type indicates the person or job type responsible for the obligation-related task.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Electric • Elevator • Exterior Paint

Field	Description
	<ul style="list-style-type: none"> Fences Fuel HVAC Insurance Interior Alterations Janitorial Lighting Landscaping Parking Lot Major Parking Lot Patch Plumbing Roof Repair
Reference	You can enter more details of the obligation here.
Paid By	<p>Select the Paid By.</p> <p>If a cost is associated with the obligation, you must select the party responsible for paying it.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> Landlord Lessee Manager
Supplier	Select the supplier name.
Obligation Amount	Enter the obligation amount.
Currency	Select the obligation amount's currency.

Click Save and Close.

Rights and Obligations Tab: Obligations Subtab

You can view or add the following obligation information under the Details section:

Field	Description
Obligation Number	Oracle Lease Accounting generates and displays the right number.
Obligation Type	Retain or update the obligation type.
Responsibility Type	Retain or update the responsibility type.
Reference	You can enter more details of the obligation here.

Field	Description
Start Date	Select the start date of the obligation.
End Date	Select the end date of the obligation.
Supplier	Retain or update the supplier name.
Obligation Amount	Retain or update the obligation amount.

You can select an obligation directly from the table and click **Cancel** to cancel the obligation.

3 Lease Processes

Overview of the Lease Processes

You need to complete the lease processes once you have completed the lease creation process.

The following action items are provided in the Actions menu in the Lease Creation page.

- Validate
- Generate Schedules
- Activate

You must run these action items before the lease is created and finally activated.

Every time the lease is amended, or if an option is canceled or exercised, you have to run these action items for reconciling the gain/loss in the accounting.

Validate Leases

Once you have created the lease and provided the assets, payment terms, and options information, you must validate the lease.

1. Click Actions.
2. If you have selected payment increase, click Generate Payment Increase, or else click Validate.

You will receive the confirmation message in the Validation tab in the Lease page.

Any warning or error in the lease information is updated automatically. You have to make the changes before validating the lease again manually.

The lease is currently in Validated version status and Draft lease status.

Generate Lease Schedules

Once you have validated the lease, you must generate the schedules.

Schedules Tab:

1. Click Actions.
2. Click Generate Schedules.

You will receive the confirmation message on the generation of the schedules.

The schedules are displayed in the Schedules tab in the Lease page.

The Schedules tab displays the amortization schedules in summary and details. It also displays the payment schedules with the Payables invoices shown against a payment.

The Schedules tab also displays 'Accrued' expenses.

You can select any of the above information from the LOV under the Schedules tab.

Lease Accounting generates the following summary of periodical schedules as it appears in the Lease Details report:

- Right-of-Use
- Lease Liability
- Interest Expense
- Amortization Expense
- Lease Expense
- Cash Schedules

Lease Accounting generates and attaches the Lease Details report to the lease in the Schedules tab during the finalization of the version status. Lease Accounting deletes the schedules when it generates the Lease Detail report.

The lease is currently in Completed version status and Draft lease status.

Lease Accounting amortizes the Lease Liability and Right-of-Use between amortization start and end dates.

Currently, **Daily Compounding Interest Method** for Interest Calculation and **Daily Amortization Method** for Amortization are available.

For daily calculations, you can define an irregular calendar such as 4-4-5.

Based on the number of dates in a period, daily amortization differs from period to period.

Lease Accounting converts the annual discount rate, for example, 7%, to a daily compounding rate, as shown below and uses it to calculate present values and daily interest.

$7\% \text{ annual rate} = (1 + \text{Rate}\%)^{(1/365 \text{ or } 360)} - 1 = 0.00018538$

Activate Leases

You must enable the Activate Lease Contract feature under the Lease Accounting functional area.

Once you have generated the lease schedules, you must activate the lease.

1. Click Actions.
2. Click Activate.
 - Oracle Lease Accounting generates a booking transaction with the Lease Booking accounting event. Lease accounting creates the Lease Booking as an unprocessed accounting event.
 - You can view the Lease Details Report in the Schedules tab.
 - Click Attach Lease Details Report to generate and attach the report to the lease. Lease accounting submits the request and notifies you once it completes.
 - In the background, Process Lease Actions, a scheduled program using the Oracle Enterprise Scheduler, performs the following activities:

- Generate the Lease Details report.
- Moves the lease status from Booked to Finalized.

You will receive the confirmation message on the activation of the lease.

Click Done to return to the Lease landing page.

Workflows

You now have workflows for the lease activation and amendments flows. You can start the workflows from the system options for lease transactions (activation + amendments) and the leases imported from FBDI. Lease accounting regroups the FBDI leases into two buckets - Migrated leases midlife and new leases.

If you start the workflows and select the relevant lookups, the activation process waits for the approvals. A new drop-down action called Submit for Approval is available after generating schedules.

Post Lease Activation Activities

You must generate lease expenses on the lease after the lease is active. Generating lease expenses is typically a period-end activity.

You can schedule the Oracle Enterprise Scheduler Job: Process Lease Accounting program with Accruals as the parameter, which will generate the transactions for lease expenses as follows:

- Amortization Expenses
- Interest Expenses

This Oracle Enterprise Scheduler program has the following three parameters:

- Business Unit (Required)
- Lease Number
- Period

The program generates the lease expenses for the business unit and all the accounting standards if there are multiple ledgers.

Create Accounting.

Lease accounting accounts for all the accounting events generated for Lease Booking in 'Draft' or 'Final' status using the Create Accounting program.

Process Lease Payments

You can now use the Process Lease Payments from the side panel to complete the following:

1. Approving Lease Payments.
2. Generating 'Payment Approval' accounting for payment approval.
3. Transferring payment information to Payables and importing information to generate invoices in Payables.

Add Attachments to a Lease

You can add attachments to a lease from the Attachments tab.

Click Add from the Actions menu.

Select the type of attachment.

You can have attachments of the following types:

- File: You can attach a file using Choose File.
- Text: You can enter the information in the displayed text box.
- URL: You can enter the URL path in the displayed box.

You can enter a title and description for the attachment.

Click Save.

Click Delete from the Actions menu if you want to remove the attachment,

Note: You can't delete an attachment once the lease is active.

Lease History

You can view the historical information of a lease in the History tab of the lease.

History Tab

You can view the historical information of a lease in the History tab, including amendment information.

1. Search for a lease.
2. Open the lease by clicking the Lease Number.
3. You can view the Version number of the lease in the History tab. Each amendment will be a new version of the lease.

4 Side Panel Operations

Import Leases

You can import a large number of leases through a file-based data import or FDBI feature. FDBI is the best way to mass data import quickly.

You can import new leases using it as an implementation tool and convert midlife leases from your legacy systems.

Import Leases:

- Select Import Leases from the side panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - Import - This will import all leases.
 - Import Type:
 - New Leases - This will import all new leases.
 - Lease Amendments - This will import all leases with amendments.
You can import the amendments for the following changes:
 - Rate Changes
 - Scope Changes such as adding new assets.
 - No Scope Changes such as adding a residual option
 - Payment Changes
 - Edit Nonfinancial Changes
 - Terminations and Manage Options - This will import all terminated leases and options in leases that have been modified.
 - Business Unit - Select the business unit from which you want to import the leases.
 - Load Request Identifier - Optionally, you can select the load request identifier.
 - Interface Lease from Identifier - Optionally, you can select interface lease from the identifier.
 - Interface Lease to Identifier - Optionally, you can select interface lease to the identifier.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

Key Calculations:

Lease accounting calculates and maintains the lease liability and right-of-use balances for every period after the lease amortization start date that you enter for each lease. You can view the high-level description of the calculations as follows:

- Lease Liability: Lease Accounting discounts the cash flows marked as 'Liability' and have a payment due date on and after the lease amortization start date. It uses a rate from the discount rate index selected in the lease

to arrive at the lease liability. It calculates the interest amounts using this discount rate for all periods after the lease amortization start date.

- **Right-of-Use Finance Lease:** When you provide a right-of-use value for a migrated lease, it's amortized on a straight calculation basis over the asset's remaining life after the lease amortization date. If you don't provide this value, Lease Accounting discounts the cash flows marked as 'ROU' to calculate the right-of-use balance using the same logic that you used to calculate lease liability.
- **Amortization expense:** Lease Accounting derives it by calculating the right-of-use balance between the lease amortization start date and the expected lease or asset end date.
- **Right-of-Use Operating Lease:** When you provide a right-of-use value for a migrated lease, it's amortized with the difference between lease expense and interest expense over the remaining life of the lease after the lease amortization start date. If you don't provide this value, Lease Accounting discounts the cash flows marked as 'ROU' to calculate the right-of-use balance using the same logic that you used to calculate lease liability.
- **Lease Expense:** Lease Expense for a nonmigrated lease is the mean of cash outflows per period. For migrated leases with the right-of-use value provided by you, lease expense is the sum of that value plus the interest expense from that payment. For example, if the right-of-use value you provided is \$100,000 and a projected interest expense of \$10,000, then the total lease expense is \$110,000. Lease Accounting calculates the total lease expense over the remaining life of the asset or lease after the amortization start date.

Process Lease Expiration

You can use the Process Lease Expiration link in the side panel to expire leases past their lease end dates and don't have any open options on them.

Process Lease Expiration

- Select Process Lease Expiration from the panel to run the program.
- The following parameters are available under Basic Options:
 - **Action Type:**
 - **Lease Expiration - Review Mode:** This generates the list of expired leases for the selected business unit.
 - **Lease Expiration - Update Mode:** You can select Update Mode to remove the expired leases after you have reviewed them for the selected business unit.
 - **Business Unit:** - Select the business unit from which you want to generate a list of expired leases.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

Process Lease Payments

You can use the side panel from the Lease Landing page to process lease payments. You can export the payments defined in Lease Accounting to Payables to generate AP invoices.

Process Lease Payments:

- Select Process Lease Payments from the panel to run the program.
- The following parameters are available under Basic Options:
 - Process Type:
 - Lease Payments
 - Business Unit
 - Lease Number
 - Period
 - From Payment Due Date
 - To Payment Due Date
 - Payment Type
 - Payment Purpose
 - Supplier Name
 - Supplier Site
 - Payments Processing:
 - Select Approve to process the payments.
 - Select Hold to hold the payments temporarily.
 - Select Release Hold to release the held payments.
 - Export to Payables
 - Select Yes to export the payments to Payables.
 - Select No to stop the export of the payments to Payables.
 - Select Hold to hold the export of payments to Payables temporarily.
 - Select Release Hold to release the export of payments to Payables.
 - Launch Import Payables Invoice
 - Select Yes to launch the import of the Payables invoices.
 - Select No to launch the import of the Payables invoices.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.
- You must run Create Accounting after the update.

You can select the payment number, period name, approval status, export status, Payables invoices, and such from the Payment Schedules section. Click the Payable invoices number displayed to open the invoice from Lease Accounting. You can see the Payables invoices originating from payments defined here.

Payment Approval triggers an accounting event for payments with the Lease Liability enabled. You can use this accounting event to reduce the Lease Liability balance.

You can't export the payments with purchase order numbers to Payables from Lease Accounting.

You must have access to the Payables function to launch the import process of Payables invoices.

Missing Accounts During the Payables Process:

The Payables Invoice Import process may fail if you don't provide the following accounts:

- Payables Clearing
- Payables Liability
- Noncompliance Expense
- Accrued Liability

You will then have to amend the lease using amendment types and provide the missing accounts. This export process to Payables fetches the missing accounts from payment templates.

You can provide the missing accounts on payment term templates to Payables.

Process Index-based Assessments

You can use the side panel from the Lease Landing page to process index-based assessments.

Process Index-based Assessments

- Select Process Index-based Assessments from the panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - **Process Index-based Assessments:** Select this parameter to process index-based assessments.
 - **Business Unit:** Select the business unit name.
 - **Legal Entity:** Select the legal entity.
 - **Lease Number:** Enter the lease number.
 - **To Assessment Date:** Select the assessment date upto which you want the process to run.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.
- You must run Create Accounting after the update.

Manage Payments

You can search for payments across leases and manually update noncompliance payments.

You can know the status of the payments based on many scenarios such as a business unit, a supplier, or by the payment due date.

This page has both basic and advanced search options using which you can search the payments.

The basic search parameters are as follows:

- Business Unit
- Lease Number
- Lease Name
- Supplier
- Supplier Site
- Payment Type
- Payment Purpose
- Approval Status
- Eligibility for Export
- Payment Due Date

These parameters result in values that are available in the default view and you can add more columns.

Some of the other important parameters in the advanced search are as follows:

- Lease Start Date
- PO
- PO Line Number
- Supplier Invoice Number

You can export the results to Excel for further analysis.

You can perform the following actions on the payments:

- **Approve:** Select a lease and click Approve to approve the payments.
- **Hold Approval:** Select a lease and click Hold Approval to hold the approval of the payments.
- **Hold Export:** Select a lease and click Hold Export to hold the export of the payments to Payables.
- **Release Approval Hold:** Select a lease and click Release Approval Hold to release the approval hold of the payments.
- **Create Miscellaneous Payment:** Select a lease and click Create Miscellaneous Payment to create a miscellaneous payment on the lease.
 - a. The following fields are available as part of the miscellaneous payment creation:

Field	Description
Business Unit	Select the business unit.
Lease Number	Select the lease number.
Payment Template	Select the payment template.
Supplier	Select the supplier.

Field	Description
Supplier Site	Select the supplier site.
Asset Number	Select the asset number.
Payment Due Date	Select the payment due date.
Payment Amount	Enter the payment amount.
Payment Purpose	<p>Select the payment purpose.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> - Base Rent - Cleaning - Depreciation - Insurance - Operating Expense - Rent - Percentage <p>You can add more values for payment purpose.</p>
Payment Type	<p>Select the payment type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> - Abatement - Appliance Rental - Base Rent - Common Area Maintenance - Cleaning - Deposit - Depreciation - Direct - Escalation - Payment for Option <p>You can add more values for payment type.</p>
Frequency	Displays the frequency of payment.
Currency	Select the currency of payment.

Field	Description
Noncompliance Expense	In the Accounting section, select the noncompliance expense account.
Payables Liability	In the Accounting section, select the Payables liability account.

You can add miscellaneous payments on a contract irrespective of its status like Terminated, Expire, and so on. These payments will enable you to add unplanned one-time payments to a lease like Lease Restoration costs, Christmas expenses, and so on.

Lease Accounting adds these payments directly to the schedule as one-time noncompliance payments.

You can't see these payments from the Payments tab but can see them from the Schedules tab on the lease.

b. Click Save and Close.

- Delete Miscellaneous Payment

Select a lease and click Delete Miscellaneous Payment to delete a miscellaneous payment.

- Update Payments

You can select multiple payments and update them simultaneously.

You can update the payment amount only for noncompliance payments and you can also enter the supplier invoice numbers for those payments. You can also enter notes for payment reference directly.

Create Accounting

You can use the side panel from the Lease landing page to create accounting.

Create Accounting:

You must run creating accounting with Oracle Lease Accounting as a source. The create accounting program generates the accounting for the Lease Booking and Lease Expense transactions generated earlier.

- Select Create Accounting from the panel to run the program.
- The following parameters are available under Basic Options:
 - Subledger Application:
 - Ledger
 - End Date
 - Accounting Mode
 - Process Events
 - Report Style
 - Transfer to General Ledger

- Post in General Ledger
- Include User Transaction Identifiers
- Lease Accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

Create Adjustment Journal

You can create subledger journal entries from the side panel using Create Adjustment Journals.

Create Subledger Journal Entry:

1. Click Create Adjustment Journals to display the Create Subledger Journal Entry page.
2. Enter your subledger information.
3. Click Save.
4. Click Post to post the entry to General Ledger.

Oracle Lease Accounting displays the projected balances as you post the journal entries.

Review Journal Entries

You can review the journal entries from the side panel using the Review Journal Entries link.

Review Journal Entries

1. Click Review Journal Entries to display the Review Journal Entries page.
2. Search for the journal information.
3. Select a journal entry that you want to edit, duplicate, or delete.
4. Click Create from the Actions menu to create a new journal entry.

Click Done to return to the Lease Landing page.

Process Lease Accounting

You can process lease accounting from the side panel using the Process Lease Payments.

Process Lease Payments

- Select Process Lease Payments from the panel to run the program.
- The following parameters are available under Basic Options:
 - Process Type:
 - **Accruals:** This will process all accruals.

- **Sweep Accounting - Review Mode:** This will sweep all the transactions that haven't been posted to GL when the GL period is closed for some reason into the next open period.
 - **Sweep Accounting - Update Mode:** This will update all the transaction dates in the stuck period to dates in the next open period.
 - **Lease Payments:** This will process the lease payments.
 - o **Business Unit:** Select the business unit name.
 - o **Lease Number:** Enter the lease number.
 - o **Period:** Select the period for which you want the process to run.
- Lease accounting notifies you once the process completes if you check the notify check box.
 - Click Submit to run the process.
 - You must run Create Accounting after the update.

Manage Accounting Errors

You can manage the accounting errors from the side panel using the Manage Accounting Errors link.

Manage Accounting Errors:

1. Click Manage Accounting Errors to display the Manage Accounting Errors page.
2. Search for the journal information.

Click Done to return to the Lease Landing page.

5 Lease Accounting Dashboard

Viewing Lease Accounting Dashboard

You can view the status of the leases from the Lease Accounting Dashboard.

Viewing Lease Accounting Dashboard

Click Lease Accounting Dashboard from the side panel of the Lease landing page or navigate directly using the navigator, Lease Accounting > Lease Accounting Dashboard.

Leases: Booking

The Leases: Booking section of the dashboard has the following tabs:

1. Requiring Attention - The leases that have been created but are yet to be finalized are displayed here.
2. Recently Finalized - The leases that have been recently finalized are displayed here.
3. Import Exceptions - The leases that have errors while importing are displayed here.

Leases: Terminations and Options

The Leases: Terminations and Options section of the dashboard has the following tabs:

1. Approaching Expiration - The leases that have upcoming expiration dates are displayed here.
2. Upcoming Options - The leases that have upcoming option dates are displayed here.
3. Recently Terminated - The leases that have recently terminated are displayed here.

Leases: Milestones

The Leases: Milestones section of the dashboard has the following tabs:

1. Upcoming Milestones - The leases that have upcoming milestones are displayed here.
2. Recently Notified - The leases that have recently notified are displayed here.

Payables Transactions Requiring Attention

You can view the Payables transactions that you exported having errors that require your attention.

You can further view the status of the process requests.

Click Done to return to the Lease Landing page.

6 Reports

Generate Lease Liability Analysis Report

You can view the lease liabilities report by using the Generate Lease Liability Analysis Report link.

Generate Lease Liability Analysis Report:

- Select Generate Lease Liability Analysis Report from the side panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - **Lease Liability Report:** Select to generate the report.
 - **Business Unit:** Select the business unit for which you want to generate the report.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

This report provides the Lease Liability amounts both as discounted and nondiscounted. Lease Accounting splits and displays the discounted cash flows into current and noncurrent cash flows. In contrast, Lease Accounting displays the nondiscounted cash flows in multiple buckets for varied operational reporting needs. Such as cash flows due by current quarter-end, year-end, greater than 60 months, and so on.

Generate Lease Transactions and Balances Report

You can view the lease transactions and balances report by using the Generate Lease Transactions and Balances Report link.

Generate Lease Transactions and Balances Report:

- Select Generate Lease Transactions and Balances Report from the side panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - **Lease Transactions and Balances Report:** Select to generate the report.
 - **Business Unit:** Select the business unit for which you want to generate the report.
 - **To:** Select the month up to which you want to run the report.
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

This report helps you in three areas:

- Displays the ROU/Liability balances for a Portfolio of Leases

- Displays the movement of balances for ROU/Liability
- Displays the reconciliation between scheduled and accounted balances

The report has Liability and ROU sections reporting the period ending balances lease-wise in a portfolio.

This report also displays the scheduled balances with accounted balances.

The Lease Liability section has the following scheduled transaction activity:

- Interest
- Payments
- Other movements, such as amendment adjustments and termination reductions

The ROU section has the following scheduled transaction activity:

- Amortization
- Other movements such as amendment adjustments, termination reductions, scope reductions for each of the accounting standards

Lease Accounting displays each accounting standard number on individual rows of the report.

This report helps you to:

- View the ROU or Lease Liability balances for a portfolio of leases at business unit level
- Understand the activity in ROU and Lease Liability
- Compare the Scheduled and Accounted balances
- Understand the pending accounting transactions

Lease Accounting derives the accounting balances as closing of the latest fiscal year.

Note: Lease Accounting runs this report till the current period ends.

Note: The report works on the transactions from the beginning of the fiscal year to the selected period.

Lease Accounting derives the scheduled balances by summarizing the amounts from the transactions:

- Lease Accounting derives the Lease Liability balance by calculating the beginning balance + interest for the period - payments +/- adjustments - reductions
- Lease Accounting derives the ROU balance by calculating the beginning balance - amortization for the period +/- adjustments - reductions

The discrepancy between the scheduled and accounting balances points to pending user activities.

Generate Lease Abstraction Details Report

You can view the lease abstract report by using the Generate Lease Abstraction Details Report link or directly from the lease.

You can view the lease liabilities report by using the Generate Lease Abstraction Details Report link or directly from the lease.

Generate Lease Abstraction Details Report From the Side Panel:

- Select Generate Lease Abstraction Details Report from the side panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - **Lease Abstraction Details Report:** Select to generate the report.
 - **Business Unit:** Select the business unit for which you want to generate the report.
 - **Lease Number:** Search and select the lease for which you want to have the abstraction.
 - **Version Type:** Select the version draft for the report. You can choose 'Draft' or 'Current.'
- Lease accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

Generate Lease Abstraction Details Report From the Lease:

You can also generate the Lease Abstraction Details report by clicking the Attach Lease Reports button from the active lease.

Generate Lease Disclosures Report

You can view the lease disclosures report by using the Generate Lease Disclosures Report link.

Generate Lease Disclosures Analysis Report:

- Select Generate Lease Disclosures Analysis Report from the side panel to run the program.
- The following parameters are available under Basic Options:
 - Action Type:
 - **Lease Disclosures Report:** Select to generate the report.
 - **Business Unit:** Select the business unit for which you want to generate the report.
 - **Ledger:** Select the ledger for which you want to generate the report.
 - **Financial Year:** Select the financial year for which you want to generate the report.
- Oracle Lease Accounting notifies you once the process completes if you check the notify check box.
- Click Submit to run the process.

The Lease Disclosure Report is a single repository for almost all the Disclosure information required for IFRS16 or ASC842 expense leases.

To meet the informational needs of disclosures and foot notes to financial statements prepared according to IFRS16 or ASC842, a disclosure report with the following areas of information is available.

- Lease and Non-Lease expenses.
- Lease and Non-Lease cash outflows.
- The Right-of-Use (ROU) balances and its movement reporting.
- The weighted average of the remaining lease term and discount rates on the leases.

- List of active, terminated, and expired leases.
- Reporting Related or Non-Related party leases, cash, and ROU.
- Upcoming Options with exercised amounts.
- Cash Projections for the next 5 years with a breakup of the Principal Recovery and Interest Accrual amounts.

7 Lease Lifecycle Processes

Create Lease Amendment

You can start the lease amendment from the Lease Landing page.

You can start by searching for a lease that you want to amend.

1. Select the lease.
2. Click Amend Lease from the Actions menu to open the Amend Lease page.

Amend Lease Page:

1. You need to enter the following information in the Amend Lease page:

Field	Description
Amendment Name	Retain or modify the amendment name for the lease.
Subtype of Amendment	<p>Scope Increase - In this amendment, you can add assets, payment terms, or options or extend the asset term.</p> <p>Scope Decrease - In this amendment, you can reduce the life of the lease or an asset, make changes to payments, add termination, and purchase options. Oracle Lease Accounting calculates the gain or loss for the Scope Decrease amendment and generates the accounting part of the Lease Revision Accounting event.</p> <p>No Scope Change - In this amendment, you can change the related asset information that doesn't change the scope of the lease.</p> <p>Edit Non-Financial Data: In this amendment, you can change the nonfinancial data of the asset. For example, you can change the code combinations for a few Accounting Classes on the payments.</p>
Amendment Commencement Date	<p>Select the amendment commencement date of the lease.</p> <p>Note: The amendment commencement date can't be in the future.</p> <p>Note: The amendment commencement date can't be before another amendment commencement date on the lease.</p>

Field	Description
	Note: You must process or hold all the lease payments before the amendment commencement date for the processing of the amendment.
Prepared By	Retain or modify the name of the user amending the lease.
Notes	Enter any relevant information regarding the amendment.

2. Click Save and Continue

Lease Accounting displays the entire lease contract. You can modify the lease information in the various tabs by selecting the type of amendment. The lease is currently in Working version status and Draft lease status.

Click Validate to validate the amendment.

Click Generate Schedules to update the schedules. You can review the amended schedules before activation of the amendment.

Click Activate to activate the amendment. The lease moves to Finalized version status and Active lease status.

Click Discard if you want to abandon the amendment.

You can view the new version of the lease in the History tab.

Amendments can lead to reductions of Right-of-Use and Lease Liability balances or recalculation of liabilities. In reduction, Lease Accounting compares the reduced balances of right-of-use and liability to derive gain/loss.

In recalculation of the Lease Liability, Lease Accounting takes the difference between the existing lease liability and the recalculated lease liability. Lease Accounting adds or subtracts from both liability and right-of-use balances.

When you change the scope on the lease, Lease Accounting uses the discount rate on the amendment commencement date for all recalculations.

During Scope Increase, you can change the index rate or the rate adder. You can also move to a new index.

Resume Changes

You can resume the lease amendment changes from the Lease Landing page.

You can search for a lease that you want to continue amending.

1. Select the lease.
2. Click Resume Changes from the Actions menu to open the Lease page.

The lease contract is displayed from where you stopped the amendment, and you can modify further information about the lease in the various tabs according to the type of amendment selected by you. The lease is in Working version status and in Draft status.

Click Validate to validate the amendment.

Click Activate to activate the amendment. The lease moves to Finalized version status and Active status.

Click Discard if you want to abandon the amendment.

You can view the older versions of the lease in the History tab.

Review Changes

You can directly review the lease amendments and canceling or exercising option changes from the Lease Landing page before activating the lease.

You can search for an amended lease that you want to view.

1. Select the lease.
2. Click View Changes from the Actions menu to open the Lease page.

You can review all the lease data calculations once the schedules are generated for the amendment before activating the lease.

These changes are also available for viewing in a new subtab in the Schedules tab called 'Modification Summary.' A newly added table here in schedules provides you with lots of information on the changing variables and balances and old and new numbers before and after the change.

The modification summary is built from the calculated balances and is available for exporting to a spreadsheet after generating schedules and until the lease is activated.

This enables you to see the impact of the changes before committing to the changes in the lease information.

You can view the older versions of the lease in the History tab.

Discard Changes

You can discard the changes you have made to a lease during amendments, cancellation or exercise of an option, or lease termination.

You can search for a lease that you want to discard.

- Select the lease.
- Click Discard Changes from the Actions menu to discard the lease changes.

Cancel Options

You can cancel an option given on a lease.

You can start by searching for a lease that has the option that you want to cancel.

1. Select the lease.
2. Click Manage Options from the Actions menu to open the Manage Options page.

Manage Options Page:

1. You need to enter the following information in the Manage Options page:

Field	Description
Manage Option	Select Cancel Option.
Option Type	Select the available option that you want to cancel.
Effective Date	Select the effective date of the cancellation. You must select a date on or before the earliest start date of all the open options.
Prepared By	Retain or modify the name of the user canceling the option.
Notes	Enter any relevant information regarding the cancellation.

2. Click Save and Continue

Oracle Lease Accounting displays the lease's options tab and you can select and cancel the option. The lease is currently in Working version status and Draft lease status.

Click Cancel and Review to initiate the cancellation process.

The lease is in a new version. You can save or discard the changes that you have made.

Click Validate to validate the changes to the lease.

Click Generate Schedules to update the schedules.

Click Discard if you want to abandon the process.

Click Activate to activate the lease. The lease moves to Finalized version status and Active lease status.

Click Attach Lease Details Report.

Click Done.

You can view the older versions of the lease in the History tab.

Lease Accounting updates the option status to 'Canceled' post-cancellation. The option is no longer amortized and doesn't participate in future calculations. Lease Accounting closed the carrying values of Right-of-Use and Lease Liability for the option with the difference amount calculated as gain/loss.

Option cancellation can result in scope changes. For example, canceling a renewal option results in a Scope Decrease, and lease accounting makes all the changes to reflect Scope Decrease.

Exercise Options

You can exercise an option given on a lease.

You can start by searching for a lease that has the option that you want to exercise.

1. Select the lease.
2. Click Manage Options from the Actions menu to open the Manage Options page.

Manage Options Page:

1. You need to enter the following information on the Manage Options page:

Field	Description
Manage Option	Select Exercise Option.
Option Type	Select the available option, which you want to exercise.
Effective Date	Select the effective date of the exercise. You must select a date on or before the earliest start date of all the open options.
Prepared By	Retain or modify the name of the user exercising the option.
Notes	Enter any relevant information regarding the exercise.

2. Click Save and Continue

Lease Accounting displays the lease's options tab and you can select the option to be exercised. The lease is currently in Working version status and Active lease status.

Click Exercise and Review to initiate the exercise process.

The lease is in a new version. You can save or discard the changes that you have made.

Click Validate to validate the changes to the lease.

Click Generate Schedules to update the schedules.

Click Discard if you want to abandon the process.

Click Activate to activate the lease. The lease moves to Finalized version status and Active lease status.

Click Attach Lease Details Report.

Click Done.

You can view the older versions of the lease in the History tab.

Option exercise results in an option payment generated by the application. Lease Accounting uses the balances on the exercise date on the option to generate the balances on the newly created payment. This newly created payment can result in AP invoices.

Option exercise doesn't lead to scope changes.

Terminate a Lease or an Asset

You can terminate a lease before it expires. You can also terminate an asset on a lease.

You can start by searching for a lease or lease's asset that you want to terminate.

1. Select the lease.
2. Click Terminate Leases from the Actions menu to open the Terminate Leases page.

Terminate Leases Page

1. You need to enter the following information in the Terminate Leases page:

Field	Description
Termination Type	Select Lease or Asset.
Effective Date	Select the effective date of the termination. You must select a date that's after the lease amortization date.
Prepared By	Retain or modify the name of the user terminating the lease or asset.
Notes	Enter any relevant information regarding the termination.

2. Click Save and Continue

Asset Termination

If you want to terminate an asset in the lease, the lease's asset page is displayed, and the termination is initiated. The lease is currently in Working version status and Initiated lease status.

Click Terminate and Review to initiate the termination process.

The lease will be in a new version. You can save or discard the changes that you have made.

Click Validate to validate the termination of the asset.

Click Generate Schedules to update the schedules.

Click Discard if you want to abandon the process.

Click Activate to activate the lease. The lease moves to Finalized version status and Active lease status.

Click Attach Lease Details Report.

Click Done.

Lease Termination

The lease is displayed, and the termination is initiated. The lease is currently in Working version status and Initiated lease status.

Click Validate to validate the termination of the lease.

Click Generate Schedules to update the schedules.

Click Discard if you want to abandon the process.

Click Activate to activate the lease. The lease moves to Finalized version status and Active lease status.

Click Attach Lease Details Report.

Click Done.

You can view the older versions of the lease in the History tab.

Lease or Asset Terminations can only be for past or system-dated leases.

Gain/Loss is calculated during the terminations. All the payments are truncated post-termination of the lease or assets.

Terminations can lead to payment contractions with system-generated negative amounts, which you can update.

8 FDBI Operations

Bulk Amendments

You need to trigger and perform amendments of all types in lease accounting on a mass scale. You could amend multiple leases or make multiple changes on the same lease.

You can now support the following set of amendments through FDBI:

- Edit-Non Financial Information
- Scope Increase
- Scope Decrease
- Scope No Change (with an enhancement for discount rate changes or discount rate index changes.)

You can make mass amendments to your portfolios to keep them current and maintain accurate information. Mass amendments enable you to do the following:

- You can have a true and fair representation of right-of-use assets or liabilities.
- You can improve the comparability of financial statements and the investors are better informed.
- You can have a fair market value reflecting the assets and balance sheets.
- You can submit amendments and edits on multiple leases and making the process error-free and easy to use.

Step Number	Step	Description
1	Prepare MS Excel spreadsheet.	<p>You must download the Lease Accounting FDBI spreadsheet and fill up all the required information in the various tabs.</p> <p>You must then convert the spreadsheet into a CSV file. Use the Generate CSV button provided on the first tab of the spreadsheet.</p>
2	Load data into interface tables.	<p>You must run a schedule process: Load Interface File for Import with a Process Lease Actions parameter.</p> <p>You now provide the CSV file and select the parameters. Oracle Lease Accounting uses the control files to convert the data from the CSV file and insert it into Lease Accounting Interface tables.</p> <p>If there are any fundamental data errors, Lease Accounting rejects the whole CSV file for the load process errors.</p> <p>The loader program also purges data for the records showing the errors from the interface tables.</p>

Step Number	Step	Description
3	Start the Import process.	<p>Once the load process is successful, you may run the import program to move the data from the interface tables into Lease Accounting transaction tables.</p> <p>You need to run the Import Leases program from the side-panel.</p> <p>The following parameters are available:</p> <ul style="list-style-type: none"> Action Type: Import Leases Import Type: The import types are as follows: <ul style="list-style-type: none"> New Leases Import Amendments Business Unit Load Request Identifier Interface Lease from Identifier Interface Lease To Identifier <p>Lease Accounting validates the data during the import into the Lease Accounting tables.</p> <p>You can provide target status to the lease amendments as Draft or Active.</p>
4	Start the Post-Import process.	<p>If the amendment is Draft, then the Lease Accounting performs the following steps:</p> <ul style="list-style-type: none"> Lease Version = Incremented Lease Status = Active Lease Version Status = Working <p>If the amendment is Active, then Lease Accounting performs all the steps in the background.</p> <p>You can process the lease further to the finalized stage.</p>
5	Run additional processes.	<p>The Process Lease Actions picks up the leases and attaches the Lease Details Report to each lease.</p>

Lease Accounting lists all the errors in the Import Exceptions tab of the Lease Accounting dashboard.

Bulk Terminations

You need to trigger and perform terminations of all types in lease accounting on a mass scale. You could terminate multiple leases or assets on a lease.

You can make mass terminations to your portfolios to keep them current and maintain accurate information. Mass terminations enable you to do the following:

- You can have a true and fair representation of right-of-use assets or liabilities.
- You can improve the comparability of financial statements and the investors are better informed.
- You can have a fair market value reflecting the assets and balance sheets.
- You can integrate with third-party tools for seamless import of the terminated transactions.

Step Number	Step	Description
1	Prepare MS Excel spreadsheet.	<p>You must download the Lease Accounting FDBI spreadsheet and fill up all the required information in the various tabs.</p> <p>You must then convert the spreadsheet into a CSV file. Use the Generate CSV button provided on the first tab of the spreadsheet.</p>
2	Load data into interface tables.	<p>You must run a schedule process: Load Interface File for Import with a Process Lease Actions parameter.</p> <p>You now provide the CSV file and select the parameters. Oracle Lease Accounting uses the control files to convert the data from the CSV file and insert it into Lease Accounting Interface tables.</p> <p>If there are any fundamental data errors, Lease Accounting rejects the whole CSV file for the load process errors.</p> <p>The loader program also purges data for the records showing the errors from the interface tables.</p>
3	Start the Import process.	<p>Once the load process is successful, you may run the import program to move the data from the interface tables into Lease Accounting transaction tables.</p> <p>You need to run the Import Leases program from the side-panel.</p> <p>The following parameters are available:</p> <ul style="list-style-type: none"> • Action Type: Import Leases • Import Type: The import types are as follows:

Step Number	Step	Description
		<ul style="list-style-type: none"> ○ New Leases ○ Import Amendments ○ Terminations and Manage Options ▪ Business Unit ▪ Load Request Identifier ▪ Interface Lease from Identifier ▪ Interface Lease To Identifier <p>Lease Accounting validates the data during the import into the Lease Accounting tables.</p> <p>You can provide target status to the lease amendments as Draft or Active.</p>
4	Start the Post-Import process.	<p>If the amendment is Draft, then the Lease Accounting performs the following steps:</p> <ul style="list-style-type: none"> ▪ Lease Version = Incremented ▪ Lease Status = Active ▪ Lease Version Status = Working <p>If the amendment is Active, then Lease Accounting performs all the steps in the background.</p> <p>You can process the lease further to the finalized stage.</p>
5	Run additional processes.	<p>The Process Lease Actions picks up the leases and attaches the Lease Details Report to each lease.</p>

Lease Accounting lists all the errors in the Import Exceptions tab of the Lease Accounting dashboard.

Manage Options Modifications

You need to manage options of all types in lease accounting on a mass scale. You could manage options of multiple leases.

You can manage options to your portfolios to keep them current and maintain accurate information. By managing options, you can do the following:

- You can have a true and fair representation of right-of-use assets or liabilities.
- You can improve the comparability of financial statements and the investors are better informed.
- You can have a fair market value reflecting the assets and balance sheets.
- You can integrate with third-party tools for seamless import of the options in bulk.

Step Number	Step	Description
1	Prepare MS Excel spreadsheet.	<p>You must download the Lease Accounting FDBI spreadsheet and fill up all the required information in the various tabs.</p> <p>You must then convert the spreadsheet into a CSV file. Use the Generate CSV button provided on the first tab of the spreadsheet.</p>
2	Load data into interface tables.	<p>You must run a schedule process: Load Interface File for Import with a Process Lease Actions parameter.</p> <p>You now provide the CSV file and select the parameters. Oracle Lease Accounting uses the control files to convert the data from the CSV file and insert it into Lease Accounting Interface tables.</p> <p>If there are any fundamental data errors, Lease Accounting rejects the whole CSV file for the load process errors.</p> <p>The loader program also purges data for the records showing the errors from the interface tables.</p>
3	Start the Import process.	<p>Once the load process is successful, you may run the import program to move the data from the interface tables into Lease Accounting transaction tables.</p> <p>You need to run the Import Leases program from the side-panel.</p> <p>The following parameters are available:</p> <ul style="list-style-type: none"> Action Type: Import Leases Import Type: The import types are as follows: <ul style="list-style-type: none"> New Leases Import Amendments Terminations and Manage Options Business Unit Load Request Identifier Interface Lease from Identifier Interface Lease To Identifier <p>Lease Accounting validates the data during the import into the Lease Accounting tables.</p> <p>You can provide target status to the lease amendments as Draft or Active.</p>
4	Start the Post-Import process.	<p>If the amendment is Draft, then the Lease Accounting performs the following steps:</p>

Step Number	Step	Description
		<ul style="list-style-type: none"> Lease Version = Incremented Lease Status = Active Lease Version Status = Working <p>If the amendment is Active, then Lease Accounting performs all the steps in the background.</p> <p>You can process the lease further to the finalized stage.</p>
5	Run additional processes.	The Process Lease Actions picks up the leases and attaches the Lease Details Report to each lease.

Lease Accounting lists all the errors in the Import Exceptions tab of the Lease Accounting dashboard.