

Oracle Fusion Cloud Financials

Using Lease Accounting

26B

Oracle Fusion Cloud Financials
Using Lease Accounting

26B

G51853-02

Copyright © 2011, 2022, Oracle and/or its affiliates.

Author: Mathew Daniel

Contents

Get Help	i
<hr/>	
1 Introduction to Lease Accounting	1
Overview of Lease Accounting	1
Key Features	1
Key Implementation Steps	2
Overview of Lease Landing Page	4
Overview of Lease Creation	7
2 Expense Leases	9
Create Expense Leases	9
Create Assets for Expense Leases	12
Create Payment Terms for Expense Leases	18
Create Payment Increase Agreements for Expense Leases	27
Create Options for Expense Leases	31
Create Milestones for Expense Leases	36
Create Rights for Expense Leases	38
Create Obligations for Expense Leases	40
3 Revenue Leases	43
Create Revenue Leases	43
Create Assets for Revenue Leases	46
Create Payment Terms for Revenue Leases	49
Create Payment Increase Agreements for Revenue Leases	56
Create Options for Revenue Leases	60
Create Milestones for Revenue Leases	65
Create Rights for Revenue Leases	67
Create Obligations for Revenue Leases	69
4 Expense Lease Processes	73
Overview of the Lease Processes	73
Validate Leases	73

Generate Lease Schedules	73
Activate Leases	75
Add Attachments to a Lease	76
Lease History	76
Cancel Leases	77
5 Activity Side Panel Operations	79
Import Leases	79
Process Lease Expiration	80
Process Lease Payments	81
Process Index-based Assessments	83
Manage Payments	83
Create Accounting	86
Create Adjustment Journal	87
Review Journal Entries	87
Process Lease Accounting	87
Manage Accounting Errors	89
6 Lease Accounting Dashboard	91
Viewing Lease Accounting Dashboard	91
7 Lease Lifecycle Processes	93
Create Lease Amendment	93
Resume Changes	94
Review Changes	95
Discard Changes	95
Cancel Options	95
Exercise Options	97
Terminate a Lease or an Asset	99
Lease Supplier Amendments	100
8 Properties	103
Review Properties	103
Import Properties	104
9 Reports	107
Generate Lease Liability Analysis Report	107

Generate Lease Transactions and Balances Report	107
Generate Lease Abstraction Details Report	108
Generate Lease Disclosures Report	109
Generate Lease Impairments Report	110

10 File-Based Data Import Operations **111**

Bulk Leases	111
Bulk Amendments	112
Bulk Terminations	114
Manage Options Modifications	115
Bulk Impairments	117

Get Help

There are a number of ways to learn more about your product and interact with Oracle and other users.

Get Help in the Applications

Some application pages have help icons  to give you access to contextual help. If you don't see any help icons on your page, click your user image or name in the global header and select Show Help Icons. If the page has contextual help, help icons will appear.

Get Training

Increase your knowledge of Oracle Cloud by taking courses at [Oracle University](#).

Join Our Community

Use [Cloud Customer Connect](#) to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, suggest [ideas](#) for product enhancements, and watch events.

Share Your Feedback

We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we'd like to hear from you.

You can email your feedback to oracle_fusion_applications_help_ww_grp@oracle.com.

Thanks for helping us improve our user assistance!

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 covers both expense and revenue lease creation, generation of payment and revenue schedules, and transfer of accounting information seamlessly to Oracle Payables and Oracle Receivables.

Lease Accounting provides the ability to capture information such as lease details, assets, payments, and options. Calculations of accounting schedules, creation of milestones, rights, and obligations are also available. 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 for expense leases.

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.

Lease Accounting also enables you to import legacy lease information using FBDI (File-Based Data Import) operations.

You can access two areas of usage in Lease Accounting.

- Lease Landing Page
- Lease Accounting Dashboard

Key Features

The key features that Oracle Lease Accounting has of expense and revenue lease creation, generating amortization schedules, maintaining accounting balances, and integration with Oracle Payables and Oracle Receivables.

Lease Accounting helps you do the following activities:

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

Lease Accounting creates the cash schedules with amortizations when you opt to generate schedules in expense leases. 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 for expense and revenue leases before using the Oracle Lease Accounting features.

The expense and revenue leases 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 begin 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 sets of descriptive flexfields:

- Manage Lease Accounting Transaction Descriptive Flexfields
 - Lease Assets Descriptive Flexfield
 - Lease Details Descriptive Flexfield
- Manage Lease Accounting Configuration Descriptive Flexfields
 - Payment Increase Templates Descriptive Flexfields
 - Payment Templates Descriptive Flexfields
 - System Options 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.

Road Map for Setting Up

Overview of Lease Landing Page

After you complete all the required setups, you can reach the lease landing page from the Navigator by selecting Lease Accounting and then Leases.

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

- Search Leases
- Lease Information
- Activity Side Panel

Search Leases

You can search for existing leases from the header section of the Lease Landing page.

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.

1. The following fields are available as search parameters:

Field	Description
Business Unit	You can search based on the business unit.

Field	Description
Lease Type	You can search based on the lease type.
Lease Number	You can search based on the lease number.
Party Name	You can search based on the party name.
Lease Start Date	You can search based on the start date of the lease.
Legal Entity	You can search based on the legal entity of the lease.
Lease Name	You can search based on the name of the lease.
Asset Type	You can search based on the type of asset.
Accounting Classification	You can search based on the account class.
Status	You can search based on the lease status.

2. Select Search.
3. Oracle Lease Accounting displays the results in the Lease Display section of the Lease Landing page.
4. Select the lease number to open the lease details.
5. Select 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.

Lease Information

From the Lease Information section, you can view legacy leases or create expense and revenue leases and their assets, payments, options, rights, obligations, and milestones.

In the lease information section, you can view and act on the lease details based on a search that you ran or create a new expense or revenue lease. You can use the Action menu or the toolbar to continue.

You can use the following actions from the Action menu:

- 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.
- **Note:** You can't update active leases. You can view an active lease in a read-only mode by either selecting the lease number for the search results or selecting View from the Action menu.
- 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've 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.
- **Impair Lease:** You can impair a lease and update the accounting transactions.
- **Cancel Lease:** You can cancel a lease which hasn't been finalized or booked.

Activity Side Panel

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

The activity side panel has the following sections:

- **Leases**
 - Create Lease
 - Import Leases
 - Lease Accounting Dashboard
 - Process Expense Lease Expiration
 - Process Revenue Lease Expiration
- **Expense Lease Payments**
 - Process Lease Payments
 - Manage Payments
 - Process Index Based Assessments
- **Revenue Lease Payments**
 - Process Lease Payments
 - Process Lease Payment Tieback
- **Accounting**
 - Create Accounting
 - Create Adjustment Journal
 - Review Journal Entries
 - Process Lease Accounting
 - Process Lease Revenue Accruals
 - Manage Accounting Errors
- **Reports**
 - Generate Lease Liability Analysis Report
 - Generate Lease Transactions and Balances Report
 - Generate Lease Abstraction Details Report
 - Generate Lease Disclosures Report

- Generate Lease Impairments Report
- Properties
 - Review Properties
 - Import Properties

See: Activity Side Panel Operations, Reports, and Properties chapters for further information.

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.
link
- The **Assets** tab has the asset information.
link
- The **Payments** tab displays the payment details, including disbursement terms, schedules, and accounting treatment for the expense and revenue leases.
link
- The **Payment Increase Agreement** tab displays the payment increase agreement details if you decide to create one in the **Overview** tab.
link
- The **Options** tab displays the option details, including disbursement terms, schedules, and accounting treatment for the options.
link
- The **Milestones** tab displays the milestones details.
link
- The **Rights and Obligations** tab displays the rights and obligations details.
link
link
- 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.
link
- 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.

link

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

link

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

link

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>

2 Expense Leases

Create Expense Leases

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

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

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

Create Lease for Expense Page:

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

Field	Description
Business Unit	Select the business unit of the lease.
Lease Type	Select the type of lease that you want to create.
Legal Entity	Select the legal entity.
Lease Number	Enter the lease number.
Lease Start Date	Select the start date of the lease.
Lease End Date	Select the end date of the lease.
Party Name	Select the party name.
Asset Type	Select the type of asset. Your choices are as follows: <ul style="list-style-type: none"> • Equipment Lease • Property Lease
Accounting Classification	Select the accounting classification. For expense lease, your choices are as follows: <ul style="list-style-type: none"> • Operating Lease • Finance Lease • Exempt For revenue lease, your choice is only:

Field	Description
	<ul style="list-style-type: none"> Operating Lease
Discount Rate Index	Select the discount rate index for the lease.

Select 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 in the Lease Details section:

Field	Description
Lease Name	You can retain or change the lease name.
Party Name	You can view the party name.
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.
Accounting Classification	You can view the accounting classification.
Description	You can enter a description for the lease.
Payment Increase Applicable	<p>Select Yes or No to enable Payment Increase for the lease.</p> <p>You must save the lease if you select Yes. The Payment Increase Agreements tab is now available.</p>

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

1. Select the Note icon.
2. Select 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	<p>Lease Accounting selects the Leasing Activities note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> Compliance

Field	Description
	<ul style="list-style-type: none"> ○ General ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

You can add the following lease term information in 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 in the Amortizations section:

Field	Description
Amortization Start Date	Select the amortization start date of the lease. The default date is the lease start date. The amortization start date can be after the lease start date.
Amortization End Date	The amortization end date is the same as the lease end 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.
Proration Method	Select the amortization proration method. Your choices are as follows: <ul style="list-style-type: none"> • Days/Month • 360 Days/Year
Discount Rate Index	Retain or change the discount rate index.

Field	Description
Discount Rate	Lease Accounting displays the discount rate based on the selected discount rate index.
Rate Adder	Enter the rate adder for the amortization, if required. The rate adder gives an extra discount more than the provided discount rate in the discount rate index.

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 in 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 in the Migration section:

Field	Description
Migrated Lease	Select the checkbox if it's 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 must provide the right-of-use balances for initial measurement.

Create Assets for Expense Leases

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

Assets Tab:

Select New (+) to display the Create Asset page.

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

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.

Select Save and Close.

For Property Leases:

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

Field	Description
Asset Number	You can view 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	You can view the end date for asset amortization.
Asset Status	You can view the asset status.

You can view or add the notes for the asset in the Asset Overview section on the Details tab.

1. Select the Note icon.
2. Select 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	<p>Lease Accounting selects the Asset note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Asset ○ Compliance ○ General

Field	Description
	<ul style="list-style-type: none"> ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

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

Field	Description
Location	Retain or change the location of the asset.
Address	You can view the address of the location.
Area	Enter the area in units of the leased property. Select the unit of measure from the drop-down list.
Employee	Select the employee assigned to the asset.

Note: The amortization of the asset could 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.

Milestones:

You can view or add the milestones for the asset in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for an asset for a property lease:

Field	Description
Milestone Type	<p>Select the milestone type.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.

Field	Description
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	<p>Select the notice frequency, if required.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ One Time ○ Daily ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

For Equipment Leases:

Select New (+) to display the Create Asset page.

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

Field	Description
Item	Select the item.
Model	Select the model.
Location	Select the location of the asset.
Asset Start Date	Select the asset start date.
Asset End Date	Select the asset end date.
Units	Enter the number of units.

Select Save and Close.

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

Field	Description
Item	Retain or change the item.
Model	Retain or change the model.
Units	Retain or change the number of units.
Asset Start Date	Retain or change the asset start date.
Asset End Date	Retain or change the asset end date.
Asset Amortization End Date	You can view the asset amortization end date.
Asset Status	You can view the asset status.

You can view or add the notes for the asset in the Asset Overview section on the Details tab.

1. Select the Note icon.
2. Select 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	<p>Lease Accounting selects the Asset note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Asset ○ Compliance ○ General ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

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

Field	Description
Location	Retain or change the location of the asset.
Address	You can view the address of the location.
Employee	Select the employee assigned to the asset.

Serial Numbers:

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

1. Select 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.

Milestones:

You can view or add the milestones for the asset in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for an asset for an equipment lease:

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.

Field	Description
Notice Frequency	<p>Select the notice frequency, if required.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> <input type="radio"/> One Time <input type="radio"/> Daily <input type="radio"/> Weekly <input type="radio"/> Monthly <input type="radio"/> Quarterly <input type="radio"/> Semi Annual <input type="radio"/> Annual

Create Payment Terms for Expense Leases

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

Payments Tab:

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

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

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.

Field	Description
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>
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

Field	Description
	<ul style="list-style-type: none"> 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.

Select 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, Oracle 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 in the Overview section:

Field	Description
Payment Template	You can view the payment template name.
Number	You can view the payment number.
Payment Purpose	Retain or change the payment purpose.
Payment Type	Retain or change the payment type.
Payment Status	You can view 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 in the Overview section.

- Select the Note icon.
- Select 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	<p>Lease Accounting selects the Leasing Activities note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Compliance ○ General ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

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 in 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"> • Select Search to open the Search and Select: Purchase Order page. • Enter the purchase number in the search box and Select Search. • Select the purchase order from the displayed list. • Select OK. • Select Reset to clear the search values. • Select Advanced for more search options.
Purchase Order Line	<p>Select the purchase order line number.</p> <ul style="list-style-type: none"> • Select 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 Select Search. • Select the line from the displayed list.

Field	Description
	<ul style="list-style-type: none"> Select OK. Select Reset to clear the search values. Select Advanced for more search options.
Payment Term	Select the payment term.

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

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

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

Field	Description
Line Number	You can view 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	You can view the payment line start date.
Line End Date	You can view the payment line end date.
First Payment Date	Retain or change the first payment date.

Select 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.

Total Payment Schedules

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 in the Total Payment Schedules section:

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

Accounting Subtab:

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

Field	Description
Right-of-Use	Select the right-of-use option to include the payment amount for calculating the right-of-use for the payment term. Use only this checkbox for capitalizing expenses into Right-of-Use without liability, such as Initial Direct Cost. You can now provide the migration balance amounts for Operating and Finance right-of-use.
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.
Discount Rate	You can view the discount rate.
Rate Adder	You can view the rate adder value.

You can view or add the following payment information in 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.

Migration Balances

Lease Accounting displays this section if it's a migrated lease. You can select the migrated lease in the Overview tab. You must enter the right-of-use balances for the migrated lease.

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

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 in 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.

Select 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 and 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
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 convert the payment currency schedules into functional currency.

Milestones:

You can view or add the milestones for the payment in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for a payment

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	Select the notice frequency, if required. Your choices are as follows: <ul style="list-style-type: none"> ○ One Time ○ Daily ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

Create Payment Increase Agreements for Expense Leases

If you've selected the Payment Increase Applicable option in the Overview tab, you can create the payment increase agreement for expense leases 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's 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 might 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 want to assess payments for payment changes yearly or semiannually. The assessment can be Annual and Semiannual.
- **Payment Basis Type:** Generally, the payment basis is the payment amount itself. It's the basis on which you apply the payment change percentage. For example, you 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'd generally select 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 depends 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. Select 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. 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've 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	Select the payment purpose. Your choices are as follows:

Field	Description
	<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. Select Save and Close.

Payment Increase Agreements Tab:

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

Field	Description
Agreement Template Name	You can view the agreement template name.
Agreement Number	You can view the agreement number.
Agreement Name	Retain or change the agreement name.
Basis Adjustment Factor	Retain or change the basis adjustment factor, if you've 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	You can view the first assessment date.
Termination Date	Retain or change the termination date.
Assessment Frequency	You can view the assessment frequency.
Currency	You can view the currency.
Assess in Years	You can view the assessment in years.

Field	Description
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.

Select 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. When 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've an option to select term payment increases as 'Contingent' or 'Noncontingent' increases. Lease Accounting accounts for them as required.

Create Options for Expense Leases

After adding the payment details on the Payments tab, you might enter the details for options on the Options tab for expense leases.

Options Tab:

Select 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"> <input type="radio"/> Adjustment <input type="radio"/> Allowance <input type="radio"/> Bargain Purchase <input type="radio"/> Construction Warranty <input type="radio"/> Early Termination <input type="radio"/> Expansion <input type="radio"/> Fair Market Value <input type="radio"/> Holdover <input type="radio"/> Purchase <input type="radio"/> Renewal <input type="radio"/> Residual <p>You can add more values for option type.</p>
Start Date	Select the payment start date.
End Date	Select the end date, if required.

Field	Description
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.
Currency	Select the currency of payment.

2. Select Save and Close.

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

Field	Description
Payment Template	You can view the payment template name.
Number	You can view the payment number.
Payment Purpose	Retain or change the payment purpose.
Option Type	Retain or change the option type.

Field	Description
Option Status	You can view the option status.
Currency	Retain or change the currency.

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

1. Select the Note icon.
2. Select 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 checkbox 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 in the Supplier section:

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

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

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

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

Field	Description
Line Number	You can view 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	You can view the payment line start date.
Line End Date	You can view the payment line end date.
First Payment Date	Retain or change the first payment date.

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

Options Tab: Accounting

You can view or add the following payment information in 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. Use only this checkbox 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.
Discount Rate	You can view the discount rate.
Rate Adder	You can view the rate adder value.

Migration Balances

Lease Accounting displays this section if it's a migrated lease. You can select the migrated lease in the Overview tab. You must enter the right-of-use balances for the migrated lease.

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

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 in 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.

Select New (+) to add new accounting information.

Milestones:

You can view or add the milestones for the payment in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for an option

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	Select the notice frequency, if required.

Field	Description
	<p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ One Time ○ Daily ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

Create Milestones for Expense Leases

You can define milestones for notifications in the Milestones tab for expense leases. 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 and other stakeholders.

Milestones Tab:

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

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

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

Field	Description
	<ul style="list-style-type: none"> • 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 with 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

Select Save and Close.

Overview of Milestones:

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

Field	Description
Milestone Number	Lease Accounting generates and displays the milestone number.
Milestone Type	You can view the milestone type.
Object Type	You can view the object type.
Object Number	You can view the object number.
First Notice Date	Retain or change the first notice date.

Field	Description
Notification Frequency	Retain or change the notification frequency. The default frequency is One Time.
Milestone Status	<p>You can view 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 isn't 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 isn't yet Completed.)
Description	Enter a description for the milestone, if required.
Milestone Date	Retain or change the milestone date
Assigned To	Select the name of the person that you assign the milestone to.

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

Select **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 tab using the Milestones subtab.

Create Rights for Expense Leases

You can record lease document rights for expense leases 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:

Select 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>

Field	Description
	<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 grants 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>

Select Save and Close.

Rights and Obligations Tab: Rights Subtab:

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

Field	Description
Right Number	Oracle Lease Accounting generates and displays the right number.
Right Type	Retain or change the right type.
Reference	You can enter more details of the right here.
Grant Type	Retain or change the grant type.
Right Status	You can view the right status.
Key Date	You can view the key date.

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

Create Obligations for Expense Leases

You can record lease document obligations for expense leases 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:

Select 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 • Fences • Fuel • HVAC • Insurance • Interior Alterations • Janitorial • Lighting • Landscaping • Parking Lot Major • Parking Lot Patch • Plumbing

Field	Description
	<ul style="list-style-type: none"> 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"> Lessee Manager
Supplier	Select the supplier name.
Obligation Amount	Enter the obligation amount.
Currency	Select the obligation amount's currency.

Select Save and Close.

Rights and Obligations Tab: Obligations Subtab:

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

Field	Description
Obligation Number	Oracle Lease Accounting generates and displays the obligation number.
Obligation Type	Retain or change the obligation type.
Responsibility Type	Retain or change the responsibility type.
Reference	You can enter more details of the obligation here.
Start Date	Select the start date of the obligation.
End Date	Select the end date of the obligation.
Supplier	Retain or change the supplier name.
Obligation Amount	Retain or change the obligation amount.

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

3 Revenue Leases

Create Revenue Leases

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

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

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

Create Lease for Revenue Page:

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

Field	Description
Business Unit	Select the business unit of the lease.
Lease Type	Select the type of lease that you want to create.
Legal Entity	Select the legal entity.
Lease Number	Enter the lease number.
Lease Start Date	Select the start date of the lease.
Lease End Date	Select the end date of the lease.
Party Name	Select the party name.
Accounting Classification	Select the accounting classification. For revenue lease, your choice is only: <ul style="list-style-type: none"> • Operating Lease

Select 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 in the Lease Details section:

Field	Description
Lease Name	You can retain or change the lease name.
Party Name	You can view the party name.
Account Number	You can view the account number of the party.
Options Class	You can select whether the options on the lease are at Lease level or Asset level.
Accounting Classification	You can view the accounting classification.
Description	You can enter a description for the lease.

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

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

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

Field	Description
Type	Lease Accounting selects the Leasing Activities note type by default. Your choices are as follows: <ul style="list-style-type: none"> ○ Compliance ○ General ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

You can add the following lease term information in 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.

Field	Description
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 in the Amortizations section:

Field	Description
Amortization Start Date	<p>The default amortization start date is the lease start date and you can't update it for a new revenue lease.</p> <p>The amortization start date can be after the lease start date.</p> <p>If you've migrated a lease, you must select the migrated lease checkbox in the Migration section and provide a migration date, which is typically before the lease start date. The amortization start date is then updated to the migration date.</p>
Amortization End Date	<p>The amortization end date is the same as the lease end date.</p> <p>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.</p>
Proration Method	<p>Select the amortization proration method.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> • Days/Month • 360 Days/Year

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 in 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.

Field	Description
Assigned To	Select the lease assignee.

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

Field	Description
Migrated Lease	Select the checkbox if it's a migrated lease.
Migration Date	The date of migration for the lease.

Create Assets for Revenue Leases

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

Assets Tab:

Select New (+) to display the Create Asset page.

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

Field	Description
Asset Number	Enter the asset number.
Property Name	Select the property. See: Import Properties section for more details.
Asset Start Date	Select the asset start date.
Asset End Date	Select the asset end date.

Select Save and Close.

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

Field	Description
Asset Number	You can view the asset number.
Asset Start Date	Retain or change the asset start date.

Field	Description
Asset End Date	Retain or change the asset end date.
Asset Amortization End Date	You can view the end date for asset amortization.
Asset Status	You can view the asset status.
Responsible User	You can view the name of the user who has created the asset.

You can view or add the notes for the asset in the Asset Overview section on the Details tab.

1. Select the Note icon.
2. Select 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	<p>Lease Accounting selects the Asset note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Asset ○ Compliance ○ General ○ Leasing Activities ○ Legal
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

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

Field	Description
Property Name	Retain or change the property name.
Property Type	You can view the property type.
Property Code	You can view the property code.

Field	Description
Location	You can view the location of the asset.
Address	You can view the address of the location.
Size	You can view the size of the location.
Unit of Measure	You can view the unit of measure for the location size.
Ship-to Site	Select the ship-to site for the property.
Ship-to Address	You can view the ship-to address for the property.

You can view or add the milestones for the asset in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for an asset for a revenue lease:

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	Select the notice frequency, if required. Your choices are as follows: <ul style="list-style-type: none"> ○ One Time ○ Daily

Field	Description
	<ul style="list-style-type: none"> ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

Create Payment Terms for Revenue Leases

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

Payments Tab:

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

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

Field	Description
Payment Template	Select the payment term template.
Customer Name	Select the customer.
Bill-to Site	Select the bill-to site.
Asset Number	Select the asset.
Ship-to Site	You can view the ship-to site from 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	Select the payment purpose. Your choices are as follows:

Field	Description
	<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>
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	<p>Enter the number of payments. If you enter the number of payments, you can't enter the payment end date.</p>

Field	Description
Currency	Select the payment currency.

Select 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.

Summary Subtab:

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

Field	Description
Payment Template	You can view the payment template name.
Number	You can view the payment number.
Payment Purpose	Retain or change the payment purpose.
Payment Type	Retain or change the payment type.
Payment Status	You can view 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 in the Overview section.

1. Select the Note icon.
2. Select 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	<p>Lease Accounting selects the Leasing Activities note type by default.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ Compliance ○ General ○ Leasing Activities ○ Legal

Field	Description
Private	Select the checkbox to make the note private and only visible to you.

Select Save and Close.

Select OK.

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

You can view or add the following payment information in the Customer section:

Field	Description
Customer	Retain or change the customer name.
Bill-to Site	Retain or change the bill-to site.
Payment Term	Retain or change the payment term.
Customer Account	You can view the customer account number.
Ship-to Site	Retain or change the ship-to site.
Ship-to Address	You can view the ship-to address.

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

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

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

Field	Description
Line Number	You can view 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	You can view the payment line start date.
Line End Date	You can view the payment line end date.
First Payment Date	Retain or change the first payment date.

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

Accounting Subtab:

You can view or add the following payment information in the Revenue section:

Field	Description
Revenue Method	Select the revenue method. You can select the method for Lease Revenue or Nonlease Revenue. You must have a minimum of one lease revenue payment for the lease. Lease revenue is calculated from the lease start date till the lease end date. Nonlease revenue is calculated from the payment start date till the payment end date.

You can view or add the following payment information in 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.
Product Category	Select the product category for the payment term.
Product Fiscal Classification	Select the product fiscal classification for the payment term.

Field	Description
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.

Migration Balances

Lease Accounting displays this section if it's a migrated lease. You can select the migrated lease in the Overview tab. You must enter the accrued asset balance for the migrated lease.

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

Field	Description
Accrued Asset Balance	Enter the accrued asset balance amount for the revenue lease.

You can view or add the following payment information in 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.

Select 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 and a secondary ledger:

Ledger Name	Account Name
Vision Operations (USA)	Accrued Asset
Vision Operations (USA)	Receivables
Vision Operations (USA)	Receivables Clearing

Ledger Name	Account Name
Vision Operations (USA)	Revenue

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 convert the payment currency schedules into functional currency.

Milestones:

You can view or add the milestones for the payment in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for a payment

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows: <ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	Select the notice frequency, if required.

Field	Description
	Your choices are as follows: <ul style="list-style-type: none"> ○ One Time ○ Daily ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

Create Payment Increase Agreements for Revenue Leases

If you've selected the Payment Increase Applicable option in the Overview tab, you can create the payment increase agreement for revenue leases 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's 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 might 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 want to assess payments for payment changes yearly or semiannually. The assessment can be Annual and Semiannual.
- **Payment Basis Type:** Generally, the payment basis is the payment amount itself. It's the basis on which you apply the payment change percentage. For example, you 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'd generally select 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 depends 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. Select 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. 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've 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.

Field	Description
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. Select Save and Close.

Payment Increase Agreements Tab:

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

Field	Description
Agreement Template Name	You can view the agreement template name.
Agreement Number	You can view the agreement number.
Agreement Name	Retain or change the agreement name.
Basis Adjustment Factor	Retain or change the basis adjustment factor, if you've entered fixed increase percentage.

Field	Description
Fixed Increase Percentage	Retain or change the fixed increase percentage, if you haven't entered the fixed increase amount.
First Assessment Date	You can view the first assessment date.
Termination Date	Retain or change the termination date.
Assessment Frequency	You can view the assessment frequency.
Currency	You can view the currency.
Assess in Years	You can view 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.

Select 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. When 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've an option to select term payment increases as 'Contingent' or 'Noncontingent' increases. Lease Accounting accounts for them as required.

Create Options for Revenue Leases

After adding the payment details on the Payments tab, you might enter the details for options on the Options tab for revenue leases.

You can create options for revenue leases but they're not calculated in the accounting. It's only used when you exercise the option.

Options Tab:

Select 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 ○ Allowance ○ Bargain Purchase ○ Construction Warranty ○ Early Termination

Field	Description
	<ul style="list-style-type: none"> ○ 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.
End Date	Select the end date, if required.
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.
Currency	Select the currency of payment.

2. Select Save and Close.

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

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

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

1. Select the Note icon.
2. Select 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 checkbox 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 in the Supplier section:

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

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

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

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

Field	Description
Line Number	You can view 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	You can view the payment line start date.
Line End Date	You can view the payment line end date.
First Payment Date	Retain or change the first payment date.

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

Options Tab: Accounting

You can view or add the following payment information in 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. Use only this checkbox 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.

Field	Description
Intercompany	Select the intercompany option to mark the schedules as intercompany.
Discount Rate	You can view the discount rate.
Rate Adder	You can view the rate adder value.

Migration Balances

Lease Accounting displays this section if it's a migrated lease. You can select the migrated lease in the Overview tab. You must enter the right-of-use balances for the migrated lease.

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

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 in 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.

Select New (+) to add new accounting information.

Milestones:

You can view or add the milestones for the payment in the Milestones tab.

1. Select New (+) to display the Create Milestone page.
2. These fields are available as part of the milestones creation for an option

Field	Description
Milestone Type	Select the milestone type. Your choices are as follows:

Field	Description
	<ul style="list-style-type: none"> ○ Asset Expiry ○ Lease Expiry ○ Option Exercise
Object Type	You can view the object type.
Object Number	You can view the object number.
Milestone Date	Select the milestone date.
First Notice Date	Select the first notice date, if required.
Notice Frequency	<p>Select the notice frequency, if required.</p> <p>Your choices are as follows:</p> <ul style="list-style-type: none"> ○ One Time ○ Daily ○ Weekly ○ Monthly ○ Quarterly ○ Semi Annual ○ Annual

Create Milestones for Revenue Leases

You can define milestones for notifications in the Milestones tab for revenue leases. 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 and other stakeholders.

Milestones Tab:

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

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

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

Select Save and Close.

Overview of Milestones:

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

Field	Description
Milestone Number	Lease Accounting generates and displays the milestone number.
Milestone Type	You can view the milestone type.
Object Type	You can view the object type.
Object Number	You can view the object number.
First Notice Date	Retain or change the first notice date.
Notification Frequency	Retain or change the notification frequency. The default frequency is One Time.
Milestone Status	<p>You can view 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 isn't 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 isn't yet Completed.)
Description	Enter a description for the milestone, if required.
Milestone Date	Retain or change the milestone date
Assigned To	Select the name of the person that you assign the milestone to.

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

Select **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 tab using the Milestones subtab.

Create Rights for Revenue Leases

You can record lease document rights for revenue leases 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:

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

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

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

Select Save and Close.

Rights and Obligations Tab: Rights Subtab:

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

Field	Description
Right Number	Oracle Lease Accounting generates and displays the right number.
Right Type	Retain or change the right type.

Field	Description
Reference	You can enter more details of the right here.
Grant Type	Retain or change the grant type.
Right Status	You can view the right status.
Key Date	You can view the key date.

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

Create Obligations for Revenue Leases

You can record lease document obligations for revenue leases 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:

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

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

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

Field	Description
	<ul style="list-style-type: none"> • Exterior Paint • 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"> • Lessee • Manager
Supplier	Select the supplier name.
Obligation Amount	Enter the obligation amount.
Currency	Select the obligation amount's currency.

Select Save and Close.

Rights and Obligations Tab: Obligations Subtab:

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

Field	Description
Obligation Number	Oracle Lease Accounting generates and displays the obligation number.
Obligation Type	Retain or change the obligation type.
Responsibility Type	Retain or change 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 change the supplier name.
Obligation Amount	Retain or change the obligation amount.

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

4 Expense Lease Processes

Overview of the Lease Processes

You need to complete the lease processes when you've 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.

You must run these action items for reconciling the gain/loss in the accounting. You must run the actions for the following activities on a lease:

- Every time you amend the lease.
- Every time you terminate a lease.
- Every time you impair a lease.
- Every time you cancel or exercise an option.

Validate Leases

When you've created the lease and provided the assets, payment terms, and options information, you must validate the lease.

1. Click Actions.
2. If you've selected payment increase, click Generate Payment Increase, or otherwise click Validate.

You'll receive the confirmation message in the Validation tab in the Lease page.

Oracle Lease Accounting automatically updates any warning or error in the lease information. You must make the changes before validating the lease again manually.

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

Generate Lease Schedules

After you validate the lease, you must generate the schedules.

Schedules Tab:

1. Click Actions.
2. Click Generate Schedules.

You'll receive the confirmation message on the generation of the schedules.

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

Expense Leases:

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 the 'Accrued' expenses.

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

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

- Right-of-Use
- Lease Liability: Short Term and Long Term
- 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.

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

Revenue Leases:

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

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

Once you activate the lease, you must navigate to the side panel and run the Process Properties and Revenue Lease Actions program from the Process Lease Payments link in the side panel for Revenue Leases.

You must also run the Process Properties and Revenue Lease Actions program from the Process Lease Payment Tieback link in the side panel for Revenue Leases. This enables the Receivables invoices for the revenues to be displayed in the schedules for the revenue leases.

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.

Activate Leases

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

After you generate 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 after 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'll 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 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 to remove the attachment, if required.

Note: You can't delete an attachment after 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.

Cancel Leases

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

You must search for a lease that hasn't been finalized or booked.

- Select the lease.
- Click Cancel Lease from the Actions menu to discard the lease.

5 Activity Side Panel Operations

Import Leases

You can import several leases through a file-based data import or FBDI feature. FBDI 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 in Basic Options:
 - Action Type:
 - Import: This will import all leases.
 - Import Type:
 - New Leases: This will import all new leases.
 - Manage Options and Terminations: This will import all terminated leases and options in leases that have been modified.
 - 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
- Lease Impairments: This will import all impaired leases.

You can import the impairments for the following changes:

- No Scope Changes
- Business Unit: Select the business unit from which you want to import the leases.
- Load Request Identifier: 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.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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, Lease Accounting amortizes 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, Lease Accounting amortizes 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 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 in 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've reviewed them for the selected business unit.
 - **Business Unit:** Select the business unit from which you want to generate a list of expired leases.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 and Receivables to generate invoices.

You can run the process lease program for both expense and revenue leases from the side panel.

Expense Leases

- Select Process Lease Payments for Expense from the side panel to run the program.
- The following parameters are available in 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 stop the import of the Payables invoices.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 fails if you don't provide the following accounts:

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

You can 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.

Revenue Leases

- Select Process Lease Payments for Revenue from the side panel to run the program.
- The following parameters are available in Basic Options:
 - Action Type:
 - Lease Payments Processing
 - Business Unit
 - Lease Number
 - To Period
 - From Payment Due Date
 - To Payment Due Date
 - Payment Type
 - Payment Purpose
 - Customer Name
 - Bill-to 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 Receivables

- Select Yes to export the payments to Receivables.
- Select No to stop the export of the payments to Receivables.
- Select Hold to hold the export of payments to Receivables temporarily.
- Select Release Hold to release the export of payments to Receivables.
- o Launch Import AutoInvoice
 - Select Yes to launch the import of the Receivables invoices.
 - Select No to stop the import of the Receivables invoices.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- Click Submit to run the process.
- You must run Process Lease Payment Tieback to show the Receivables invoices against the revenue leases.

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

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 side panel to run the program.
- The following parameters are available in Basic Options:
 - o Action Type:
 - **Process Index-based Assessments:** Select this parameter to process index-based assessments.
 - o **Business Unit:** Select the business unit name.
 - o **Legal Entity:** Select the legal entity.
 - o **Lease Number:** Enter the lease number.
 - o **To Assessment Date:** Select the assessment date up to, which you want the process to run.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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.

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. For those business units for which Payables integration is turned off, you can directly link the Payables invoice numbers and line numbers to the payments on the lease. You can also link using the API.

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 in 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
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 in 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.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- Click Submit to run the process.
- You must run Create Accounting after the update.

Process Short Term and Long Term Lease Liability

Both IFRS and GAAPs mandate that the liabilities must be reported into two buckets: Short Term and Long Term Liability. Lease Liability also being one of the component of Liability, this requirement is applicable for Lease Liability as well.

Short Term Lease Liability refers to the discounted Lease Liability from payments which are due in the next 12 months from the reported period end.

Long Term Lease Liability refers to the discounted Lease Liability from payments which are due for the periods greater than 12 months from the reported period end.

Key Advantages

- Short Term and Long Term Lease Liabilities accounted balances match with the scheduled balances.
- Data readily available for compliance reporting.

Steps

You can run the reclassification of liabilities process using the Accruals parameter.

The following rules will apply to the reclassified liabilities:

- Lease Liability reclassification is generated as part of the Accruals process.
- You can select only the period post latest run 'Accruals' period from the business unit.
- Transaction date of the Liability reclassification is the same as the accruals transaction for a particular period. GL date follows the regular GL dating rules.
- If there's an amendment backdated before a reclass transaction, then earlier reclassification transactions are all reversed and new reclassification transactions created for each of those prior periods.
- You can perform Liability reclassification only if you select the Reclassify Lease Liability checkbox in the system setup options available.
- The payments marked with Liability checkbox only are included in the Lease Liability reclassification.
- Computational rules set up in the system options apply.

Secondary Ledger Calendar:

- The Lease Liability reclassification follows the same method of splitting liability for secondary ledger liability as well.
- The secondary ledger calendar is the reference point for the date of splitting. For example, if Jan- Period is from 01-Jan-22 to 31-Jan-22 in the primary ledger calendar, but 15-Jan-22 to 14-Feb-22 in secondary ledger calendar then:

- For primary ledger, the liability balance as on 31-Jan-22 is split between short term and long term.
- For secondary ledger, the liability balance as on 14-Feb-22 is split between short term and long term. This liability balance, if need be, must be derived first.
- The short term liability payments are considered from the period end date in the respective calendars.
- The program can't be run for those periods that have end dates in the future.

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.

6 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.

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.

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.

Process Requests

You can view the list of requests that you've submitted for processing.

You can further view the status of the process requests in a flat view or hierarchy.

You can limit further the requests lists by status or time range.

Click Done to return to the Lease Landing page.

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, change 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 Nonfinancial 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
	<p>Note: You must process or hold all the lease payments before the amendment commencement date for the processing of the amendment.</p>
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 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.

Oracle Lease Accounting displays the lease contract from where you stopped the amendment. You can modify further information about the lease according to the type of amendment. 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've 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 begin the cancellation process.

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

Click Validate to validate the changes to the lease.

Click Generate Schedules to update the schedules.

Click Discard 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' after 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

Exercise Options:

Options are a crucial part of a lease agreement, both from operations and accounting perspectives. There are many types of options on a contract, such as renewal options or early termination options. Lease administrators routinely monitor upcoming options to make the correct decision for the organization.

Lease Accounting provides tools that support the end of lease processing activities of managing options and terminating leases. As leases move through their life and come to the end of the term, lessees need to make decisions related to these activities, and each one might increase or decrease the lease term. For example, exercising a renewal option extends a lease, but exercising a termination option shortens the lease. Lessees can also opt to do nothing and let the lease end naturally. Each choice has an impact on the lease dates, liability balance, and right-of-use balance.

Option	Description
Adjustment	Adjustment Exercise Option.
Allowance	Allowance Exercise Option.

Option	Description
Bargain Purchase	Bargain Purchase Exercise Option.
Construction Warranty	Construction Warranty Exercise Option.
Early Termination	Early Termination Exercise Option.
Expansion	Expansion Exercise Option.
Fair Market Value	Fair Market Value Exercise Option.
Holdover	Holdover Exercise Option.
Purchase	Purchase Exercise Option.
Renewal	Renewal Exercise Option.
Residual	Residual Exercise Option.

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

Click Exercise and Review to begin the exercise process.

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

Click Validate to validate the changes to the lease.

Click Generate Schedules to update the schedules.

Click Discard 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 Payables 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

To terminate an asset in the lease, Oracle Lease Accounting displays the lease's asset page and begin the termination. The lease is currently in Working version status and Initiated lease status.

Click Terminate and Review to begin the termination process.

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

Click Validate to validate the termination of the asset.

Click Generate Schedules to update the schedules.

Click Discard 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

Oracle Lease Accounting displays the lease and begin the termination. 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 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 application-dated leases.

Oracle Lease Accounting calculates the Gain/Loss during the terminations. All the payments are truncated after the termination of the lease or assets.

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

Lease Supplier Amendments

You can amend the supplier and site information on a lease.

Lease Supplier Amendment benefits your business by:

- Keeping your lease updated with the latest information.
- Updating the lease information with changes to the partner information such as supplier merge replacement of the supplier and so on.
- Automating Supplier and Invoice information updates.

Lease Supplier Amendment is necessary when the following happens:

- Current supplier for a Lease payment stops a particular service like Maintenance
- Supplier Merge
- Supplier Name change
- Replacement of Supplier for a service

You can manually do the supplier amendment or do bulk amendments using FBDI flow for Lease Supplier Amendment.

Pay item adjustments are generated for the backdated supplier changes.

Manual Amendment

You can update the following fields in the Supplier section in the Payments tab.

- Supplier
- Supplier Site
- Purchase Order Reference Number

- Purchase Order Number
- Purchase Order Line
- Payment Term

The update is available in all Scope Change and No Scope amendments.

The Lease Supplier Amendment helps you to change the supplier and supplier site.

You can change the Purchase Order information in the same amendment.

You can reuse the Amendments functionality for Lease Supplier Amendment.

The Payables Invoices which are already generated with an invoice date of before ACD are regenerated with the new supplier information and for these prior invoices, systematic Debit Memos are generated.

For invoices with an invoice date after the ACD, the invoices are regenerated with the latest information.

Note: The lessor can't be changed as part of this flow, therefore the supplier amendment is done for payment by payment.

Lease Supplier Amendment can also be performed on Options and Rent Increases.

You can view the new Supplier or Sites in the Lease Abstract and Lease Impairments reports.

8 Properties

Review Properties

You can review the properties that have been imported.

Select Review Properties from the side panel to open the Review Properties page.

When you've imported the properties, you can search for it from the header section of the Review Properties page.

Review Properties

1. The following fields are available as search parameters:

Field	Description
Business Unit	You can search based on the business unit.
Property Type	You can search based on the property type.
Property Code	You can search based on the property code.
Property Start Date	You can search based on the start date of the property.
Property End Date	You can search based on the end date of the property.
Property Name	You can search based on the name of the property.
Property Parent Code	You can search based on the property parent code.
Location	You can search based on the location.
Status	You can search based on the property status.
Contacts	You can search based on the property contacts.
Leasable	You can search based on the leasable properties.

2. Click Search.
3. Oracle Lease Accounting displays the results on the Review Properties page.
4. Click Save to retain the search information.
5. If needed, you can use Reset to clear the search information.

6. Use Advanced Search to search using specific property information.

Import Properties

You can mass import the properties.

You can create bulk properties using the Property Definitions Import template. The following fields are included:

Field	Required	Description	Validations
Create or Update	Yes	You must select Create or Update to identify whether it's a new record that's being created or changing an existing one.	
Business Unit	Yes	Enter the business unit that owns or leases the property.	
Interface Property ID	Yes	Interface property identifier	It must be unique.
Interface Parent Property ID	Yes	Required, except for top-level.	
Property Description	No	The property's description.	
Property Number	No	The property number automatically derived by the system.	
Property Type Name	Yes	Required for properties, except for property set. This is the setup where the hierarchy levels are defined.	
Property Type Level	Yes	Required. The levels are associated with the property type.	
Location Name	Yes	Required for property set and for the level selected as available for the lease in property type setup. The address is a location defined before that's associated with an address.	
Location Code	Yes	The internal location code of the property.	Either the location name or the location code is required while creating a property in the property type level set as 'Available for Lease' in the property type setup.
Property Code	Yes	This is the property identifier specific to the property. It should be of 11 characters only. It must be unique for its parent. The top-level property code must be unique for the business unit.	You must enter the short code for the property.

Field	Required	Description	Validations
Property Start Date	Yes	On or after this date, the property can be selected on a lease.	The property start date for lower-level locations might not be earlier than the parent.
Property End Date	No	On or before this date, the property can be selected on a lease.	The property end date for lower-level locations might not be later than the parent.
Tenure	Yes	Required for leasable level only. Potential values are Leased, Owned, and Managed. It conveys the type of relationship that exists between the business unit and the property.	You can enter the tenure at 1 level only in the hierarchy or the tenure of the child locations must match the parent location. Tenure must be consistent. If not consistent across levels, you can't report or analyze based on tenure.
Parent Property Number	Yes	Indicates the property number of the parent property. Required when creating new property under the parent hierarchy of existing property.	
Size	No	The property size.	It can be entered only if UOM is defined.
Responsible User	No	The user responsible for creating or updating the property.	
Property Status	Yes	You must select either Yes or No.	For a property to be available for selection on a lease, the property must be active.

9 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 for 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.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 for 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.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 abstraction report by using the Generate Lease Abstraction Details Report link.

Generate Lease Abstraction Details Report:

- Select Generate Lease Abstraction Details Report from the side panel to run the program.
- The following parameters are available for 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.'
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- 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 for 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 when the process completes if you check the notify checkbox.
- Click Submit to run the process.

The Lease Disclosure Report is a single repository for most of the disclosure information required for IFRS16 or ASC842 expense leases.

A disclosure report meets 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 Nonlease expenses.
- Lease and Nonlease 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 Nonrelated 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.

Generate Lease Impairments Report

You can view the lease impairments report by using the Generate Lease Impairments Report link.

Generate Lease Impairments Analysis Report:

- Select Generate Lease Impairments Report from the side panel to run the program.
- The following parameters are available for Basic Options:
 - Action Type:
 - **Lease Impairments Report:** Select to generate the report.
 - **Business Unit:** Select the business unit for which you want to generate the report.
 - **To Period:** Select the date to which you want to generate the report.
 - **Legal Entity:** Select the legal entity for which you want to generate the report, if required.
 - **Lease Number:** Select the lease number for which you want to generate the report, if required.
 - **From Period:** Select the date from which you want to generate the report, if required.
- Oracle Lease Accounting notifies you when the process completes if you check the notify checkbox.
- Click Submit to run the process.

10 File-Based Data Import Operations

Bulk Leases

You can create leases on a mass scale using FBDI.

You can create bulk leases using the following steps:

Step Number	Step	Description
1	Prepare MS Excel spreadsheet.	<p>You must download the Lease Accounting FBDI 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>After the load process is successful, you must 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: Select New Leases. • Business Unit: Select the business unit. • Select the load request identifier. • Interface Lease from Identifier: Select, if required.

Step Number	Step	Description
		<ul style="list-style-type: none"> Interface Lease To Identifier: Select, if required. Click Submit. Lease Accounting validates the data during the import into the Lease Accounting tables.
4	Start the Post Import process.	You can process the lease further to the finalized stage.
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.

Bulk Amendments

You can 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 FBDI:

- Edit Nonfinancial 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 correct 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.	You must download the Lease Accounting FBDI spreadsheet and fill up all the required information in the various tabs. You must then convert the spreadsheet into a CSV file. Use the Generate CSV button provided on the first tab of the spreadsheet.

Step Number	Step	Description
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>After the load process is successful, you must 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: Select Lease Amendments. • Business Unit: Select the business unit. • Select the load request identifier. • Interface Lease from Identifier: Select, if required. • Interface Lease To Identifier: Select, if required. <p>Click Submit.</p> <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>

Step Number	Step	Description
		You can process the lease further to the finalized stage.
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.

Bulk Terminations

You can terminate leases on a mass scale using FBDI. You could terminate multiple leases or assets on a lease.

You can make mass terminations to your portfolios to keep them current and maintain correct 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 FBDI 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.	After the load process is successful, you must run the import program to move the data from

Step Number	Step	Description
		<p>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: Select Manage Options and Terminations. • Business Unit: Select the business unit. • Select the load request identifier. • Interface Lease from Identifier: Select, if required. • Interface Lease To Identifier: Select, if required. <p>Click Submit.</p> <p>Lease Accounting validates the data during the import into the Lease Accounting tables.</p> <p>You can provide target status to the lease terminations as Draft or Active.</p>
4	Start the Post Import process.	<p>If the termination 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 termination 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 on a mass scale. You could manage options of multiple leases by exercising or canceling them.

You can manage options to your portfolios to keep them current and maintain correct 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 Oracle Lease Accounting FBDI 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>After the load process is successful, you must 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: Select Terminations and Manage Options. • Business Unit: Select the business unit. • Select the load request identifier. • Interface Lease from Identifier: Select, if required. • Interface Lease To Identifier: Select, if required.

Step Number	Step	Description
		Lease Accounting validates the data during the import into the Lease Accounting tables. You can provide target status to the options as Draft or Active .
4	Start the Post Import process.	If the option is Draft , then the Lease Accounting performs the following steps: <ul style="list-style-type: none"> • Lease Version = Incremented • Lease Status = Active • Lease Version Status = Working If the option is Active , then Lease Accounting performs all the steps in the background. You can process the lease further to the finalized stage.
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.

Bulk Impairments

You can impair leases on a mass scale using FBDI. You could impair multiple leases or multiple assets on the same lease.

You can now support the following set of impairments through FBDI:

- No Scope Change

You can make mass impairments to your portfolios to keep them current and maintain correct information. Mass impairments 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 impairments on multiple leases and making the process error-free and easy to use.

Step Number	Step	Description
1	Prepare MS Excel spreadsheet.	You must download the Lease Contract Impairments Interface FBDI spreadsheet and fill up all the required information in the various tabs. You must then convert the spreadsheet into a CSV file. Use the Generate CSV button provided on the first tab of the spreadsheet.

Step Number	Step	Description
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 must 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>After the load process is successful, you must 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: Select Lease Terminations. • Business Unit: Select the business unit. • Load Request Identifier: Select the load request identifier. • Interface Lease from Identifier: Select, if required. • Interface Lease To Identifier: Select, if required. <p>Click Submit.</p> <p>Lease Accounting validates the data during the import into the Lease Accounting tables.</p> <p>You can provide target status to the lease impairments as Draft or Active.</p>
4	Start the Post Import process.	<p>If the impairment 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 impairment is Active, then Lease Accounting performs all the steps in the background.</p>

Step Number	Step	Description
		You can process the lease further to the finalized stage.
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.

