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Session 7215

PeopleSoft Lease Administration Case Studies for Higher Ed and Public Sector (GASB 87)

Agenda

- Presenter Introductions
- About SpearMC
- Lease Admin For Public Sector
  - Configuration Considerations
  - Module Integrations
  - GASB 87 vs. IFRS 16 vs ASC 842
  - Light Product Demonstration
  - Concluding Thoughts

PRESENTERS

Randall Johnson

Vice President

SpearMC

Over 20 years consulting experience focused predominantly in PeopleSoft implementations and upgrades covering all stages of the Project Life Cycle.

System Business Process Analysis, Requirements Study, Fit-Gap Analysis, High Level Design, ChartField and Codeblock Design, Application Development, Testing, Configuration, Training, Deployment and Post-Implementation Support

About SpearMC

Founded in 2004, SpearMC specializes in:

- PeopleSoft FSCM, HCM, SCM, Grants Management
- PeopleSoft Hosting on Oracle Cloud Infrastructure
- PeopleSoft & Tools Training
- Testing as a Service (‘TaaS’)
- PeopleSoft Reseller since 2008
- PTF and Test Automation
- Oracle Hyperion and PBCS
- Oracle Business Intelligence
- PeopleSoft Managed Services

ORACLE Platinum Partner Cloud Standard

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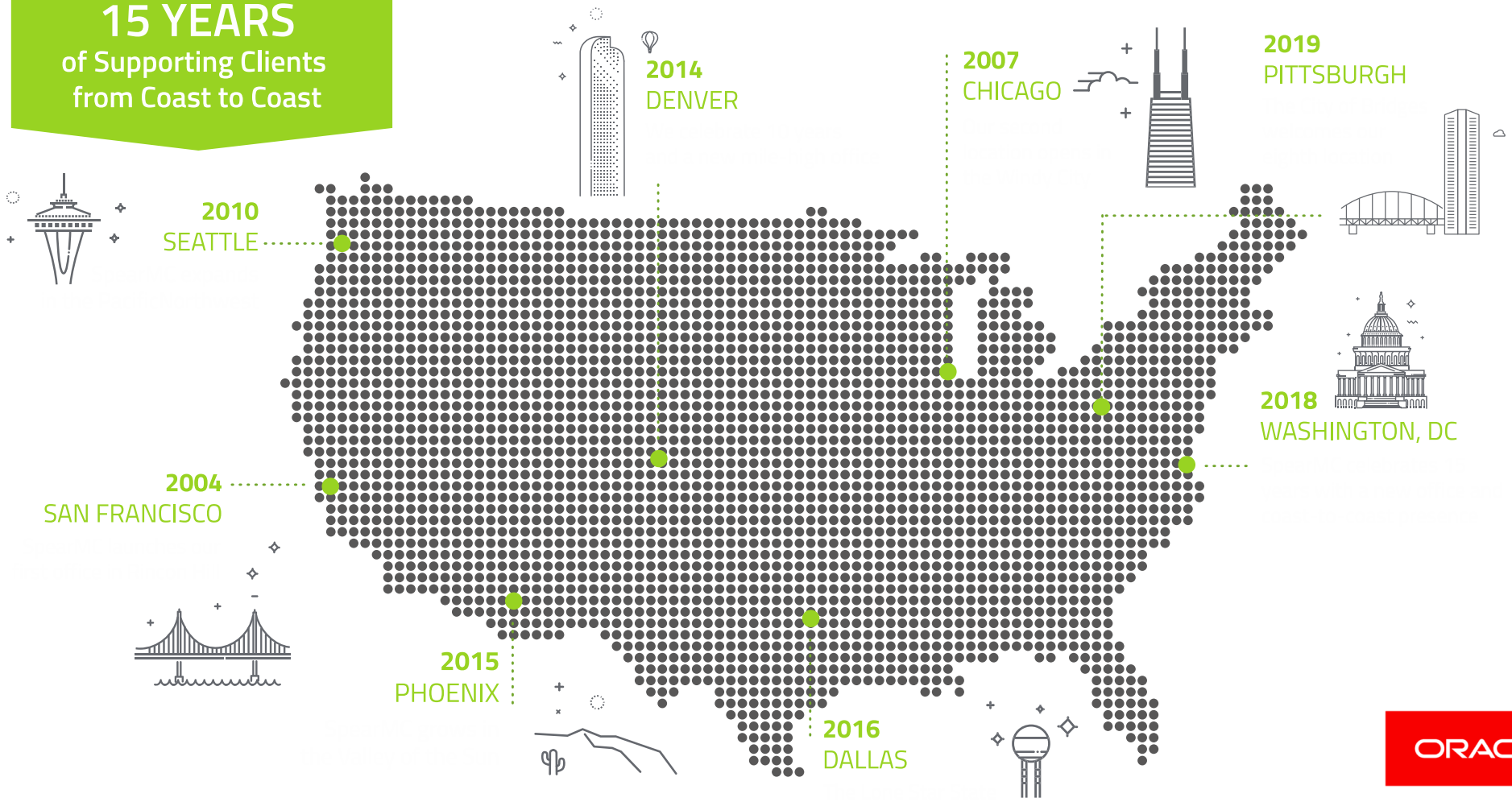
About SpearMC

SpearMC
consulting ▲ technology ▲ training

15 YEARS
of Supporting Clients from Coast to Coast



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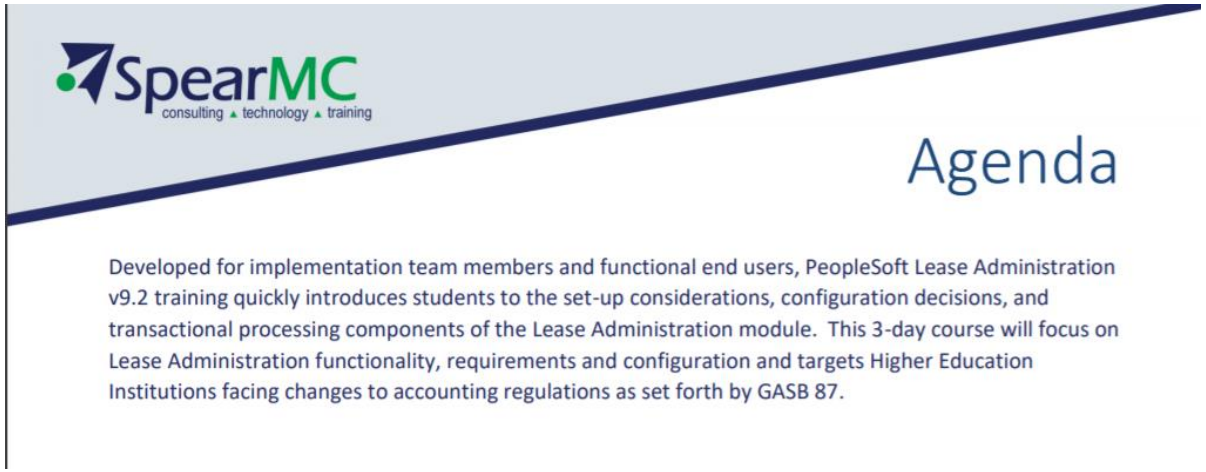
About SpearMC

Register for SpearMC's Virtual Training:



- Three days dedicated to LA Implementations
- Virtual sessions June 29-July 1
- Targeted for Full GASB 87 Compliance
- Discount Codes available for Alliance Members and Session Attendees
- Find Training Details here: https://spearmc.com/apps/psft-training/

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PeopleSoft Lease Administration

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PeopleSoft Lease Administration

Configuration Considerations

Configuration Considerations

Lease Administration is a separate licensed module available within the PeopleSoft Asset Lifecycle Management suite.

"Some" limited use from the Asset Management Module.

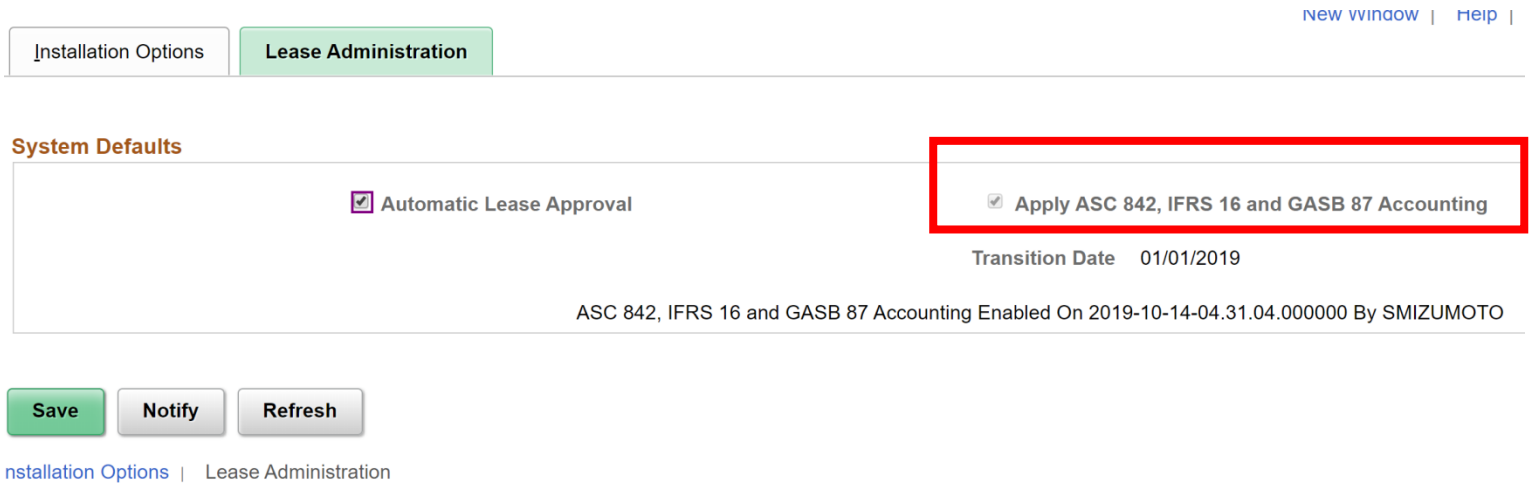
Significant integrations and functionality is delivered through the LA module.

Heavily relies upon AM configuration which likely already exists within your organization.

- Installation Options
- Business Unit Configuration
- Region Codes
- Lease Types
- Locations
- Asset Categories
- Cost Types
- Asset Lease Profiles
- Accounting Entry Template

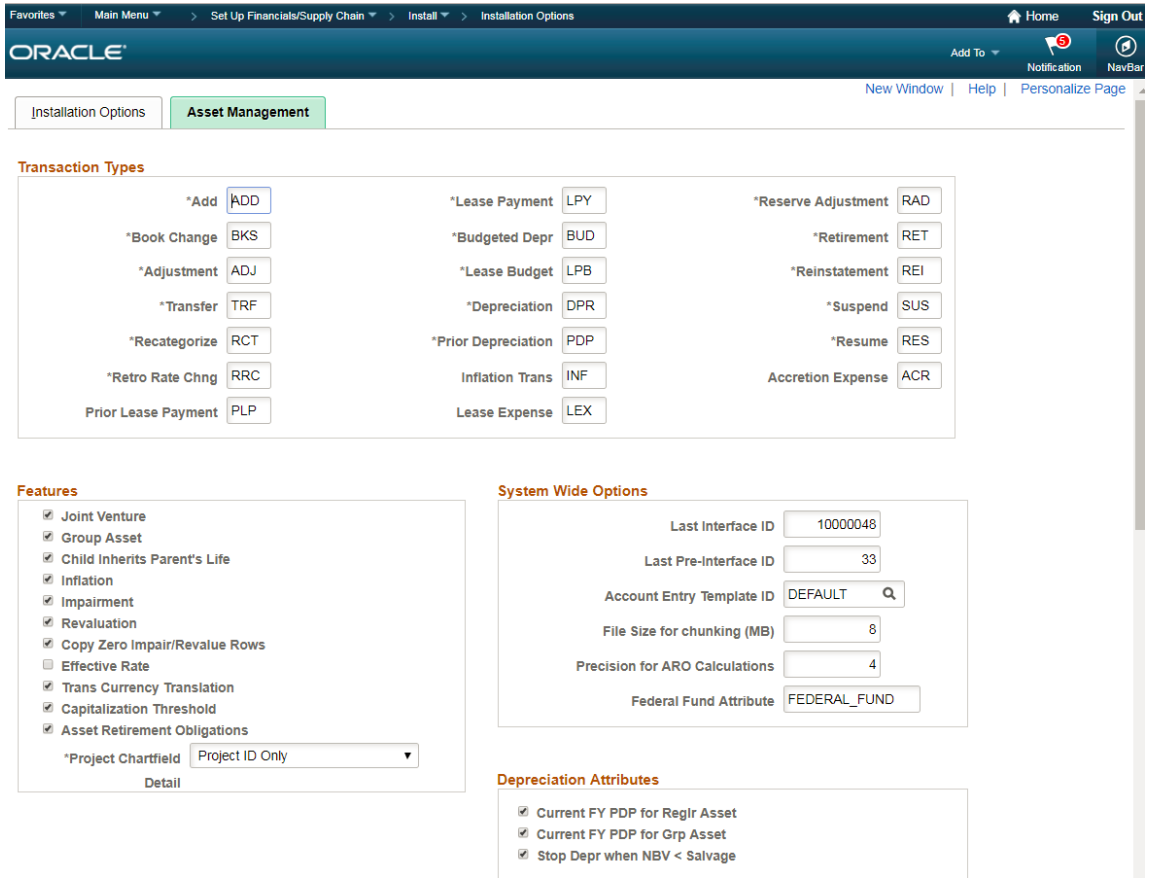
Installation Options – Lease Administration

- Apply adoption with the apply box
- Select transition date



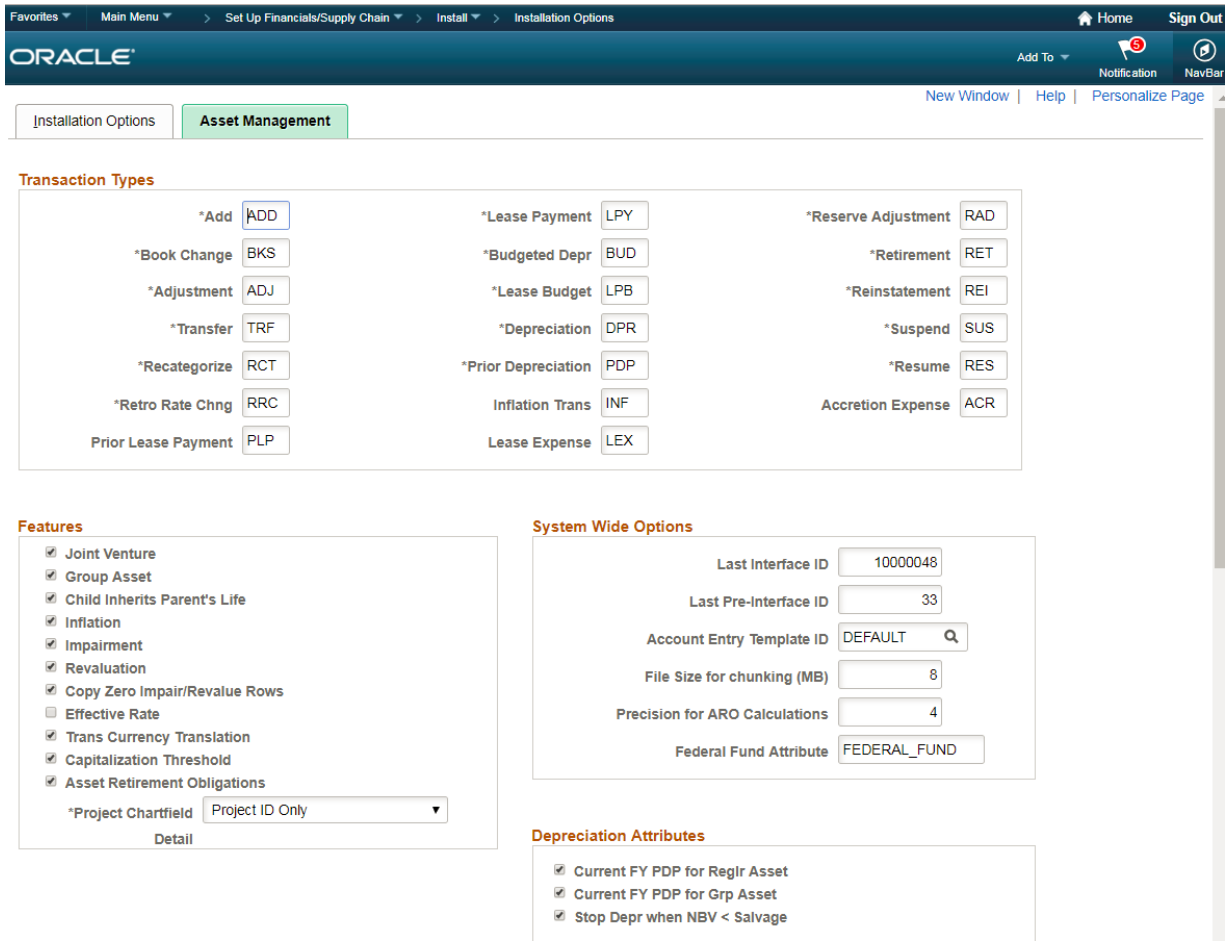
Installation Options – Asset Management

- Accept all Transaction type defaults
- Select features to match requirements



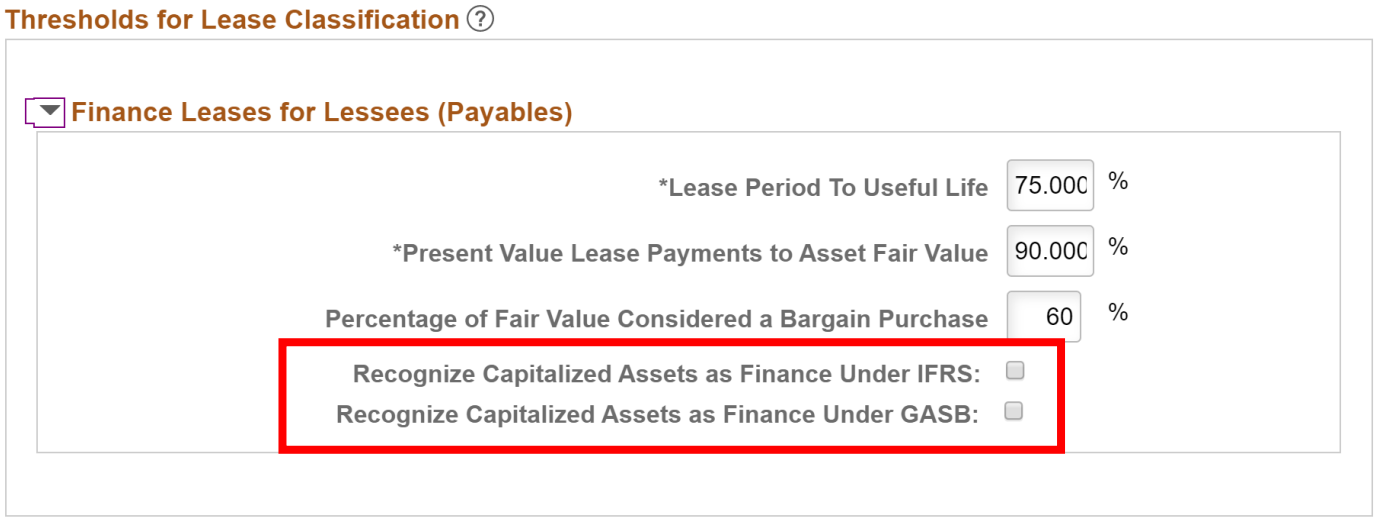
LA Business Unit Definitions

- Accept all Transaction type defaults
- Select features to match requirements



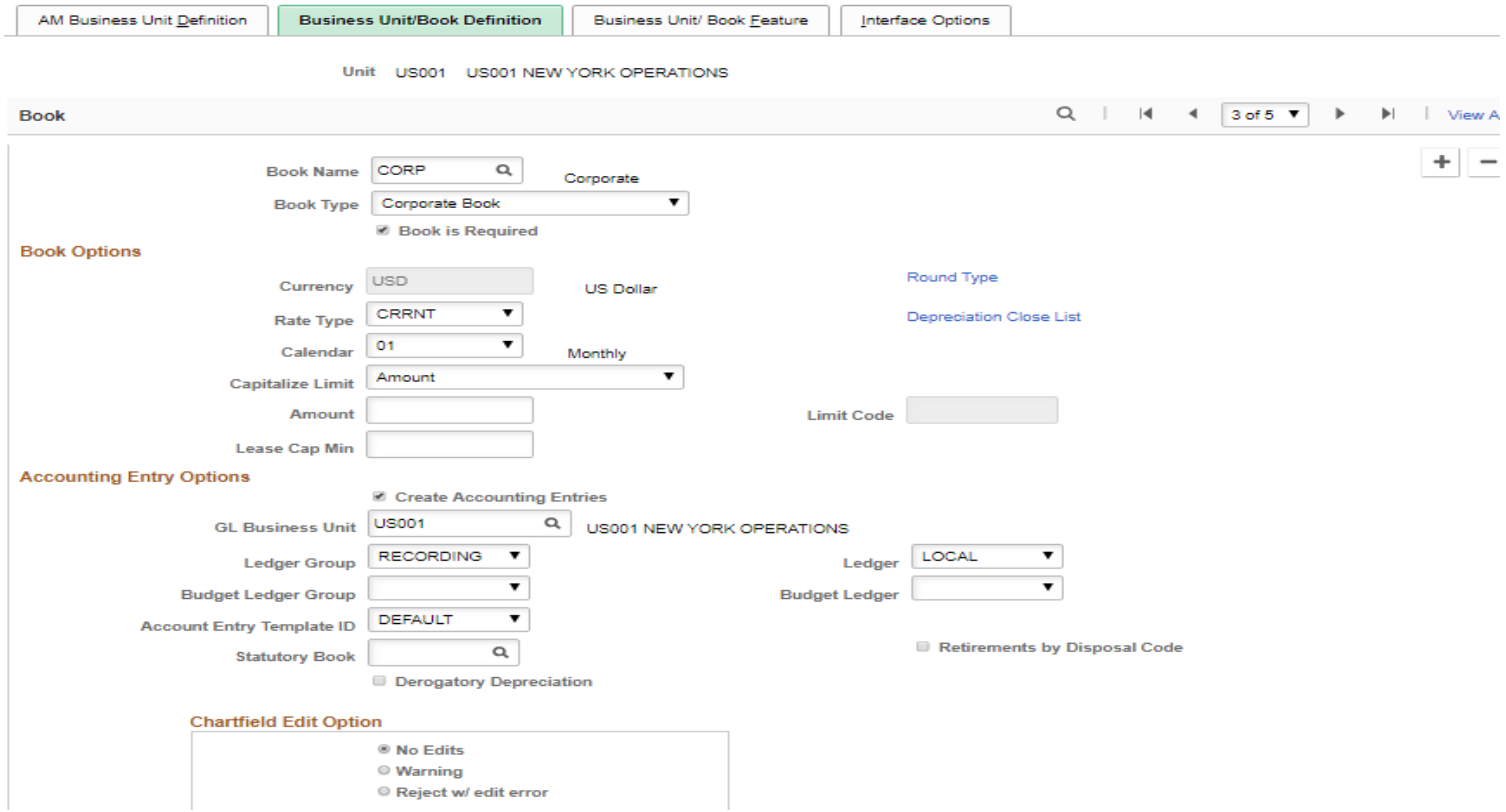
LA Business Unit Definitions (Continued)

- Payables classification thresholds
- Option to select IFRS or GASB. By default system is in ASC-840 or ASC-842 mode



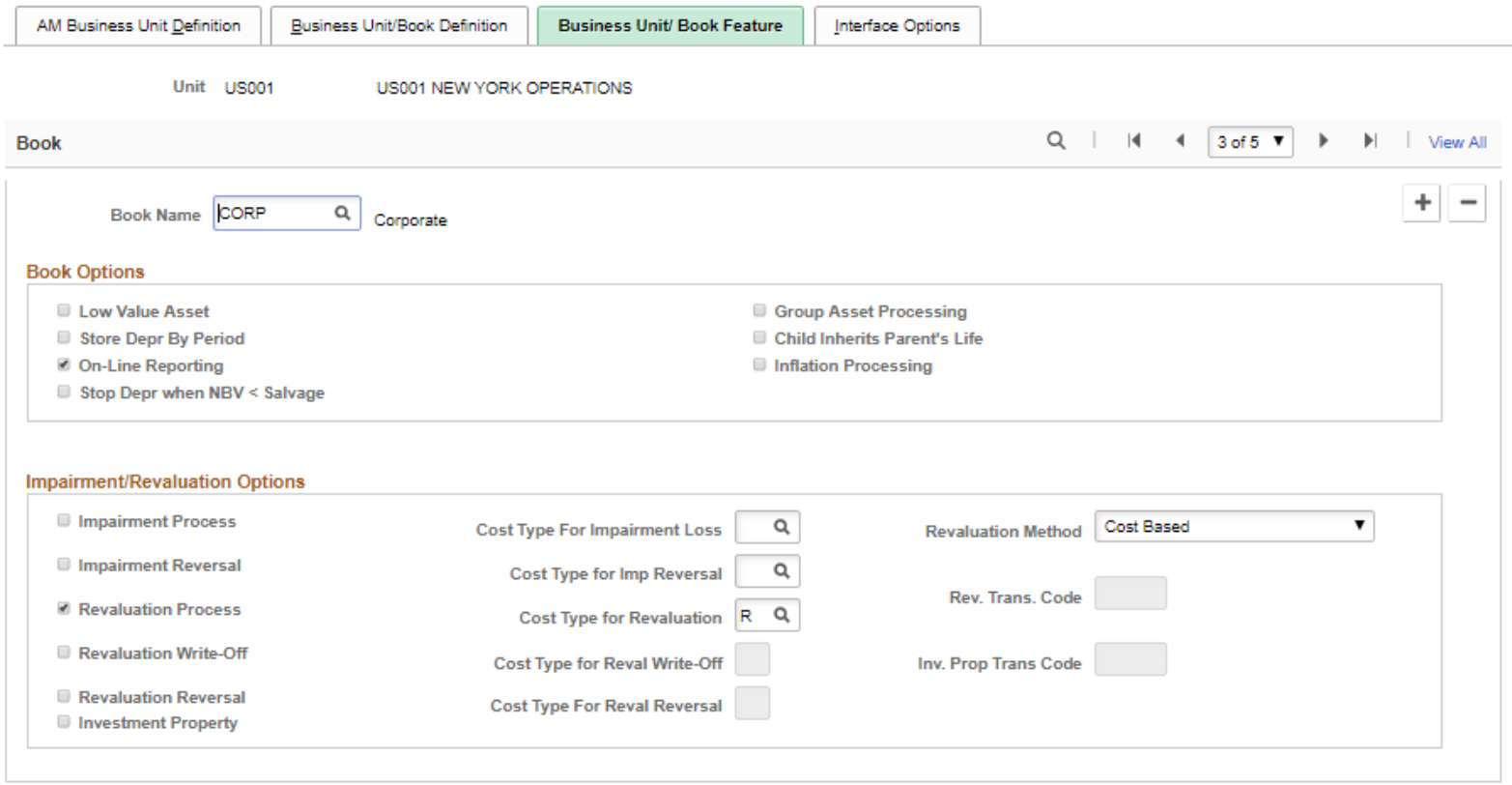
AM Business Unit Definitions

- Add books to BU
- Existing AM configuration may have these defined



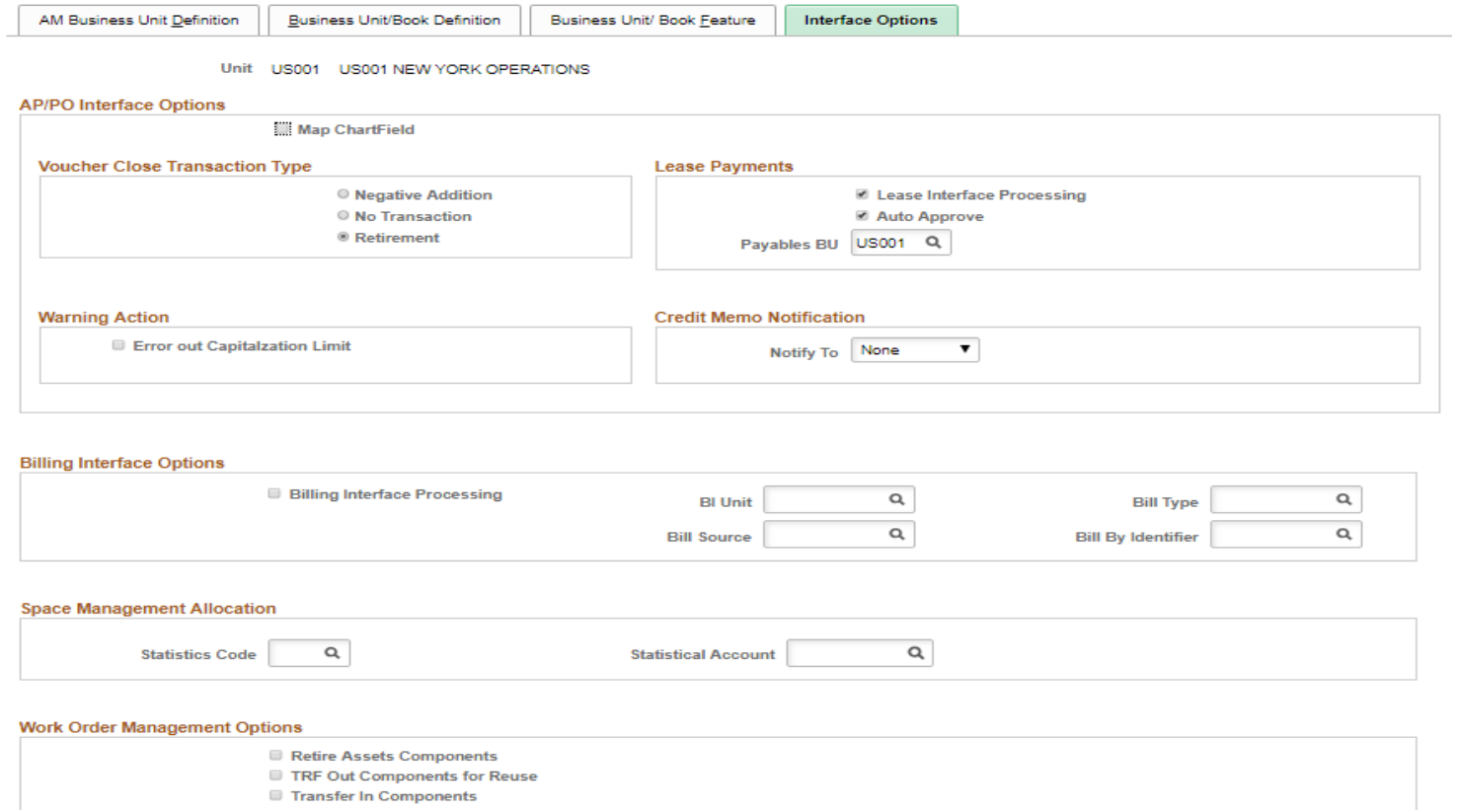
AM Business Unit Definitions

- Set Book options such as enabling online reporting features



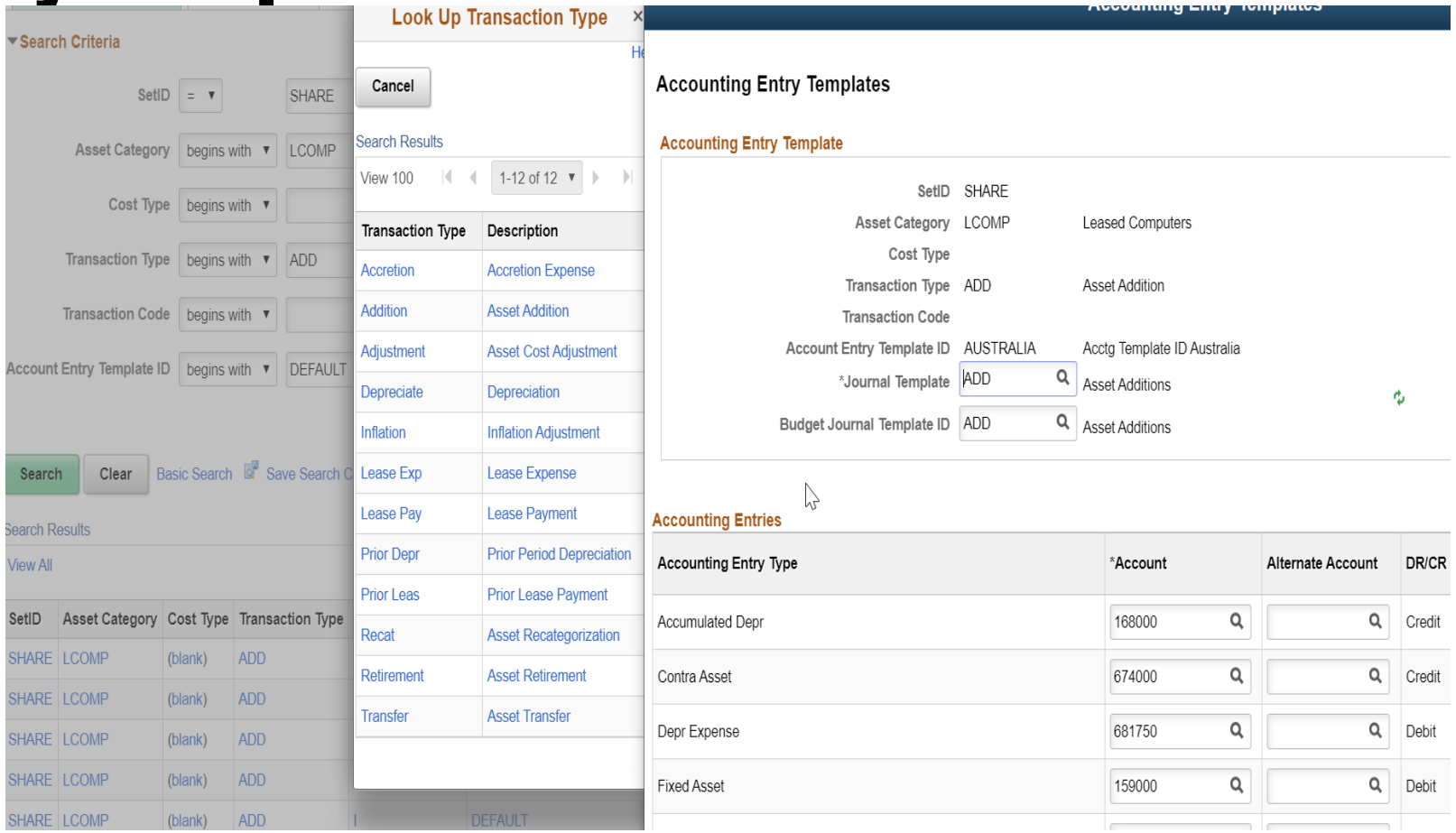
AM Business Unit Definitions

- Set lease interface processing
- Enables lease payments
- Billing Interface in AM Setup is NOT for Lease Admin



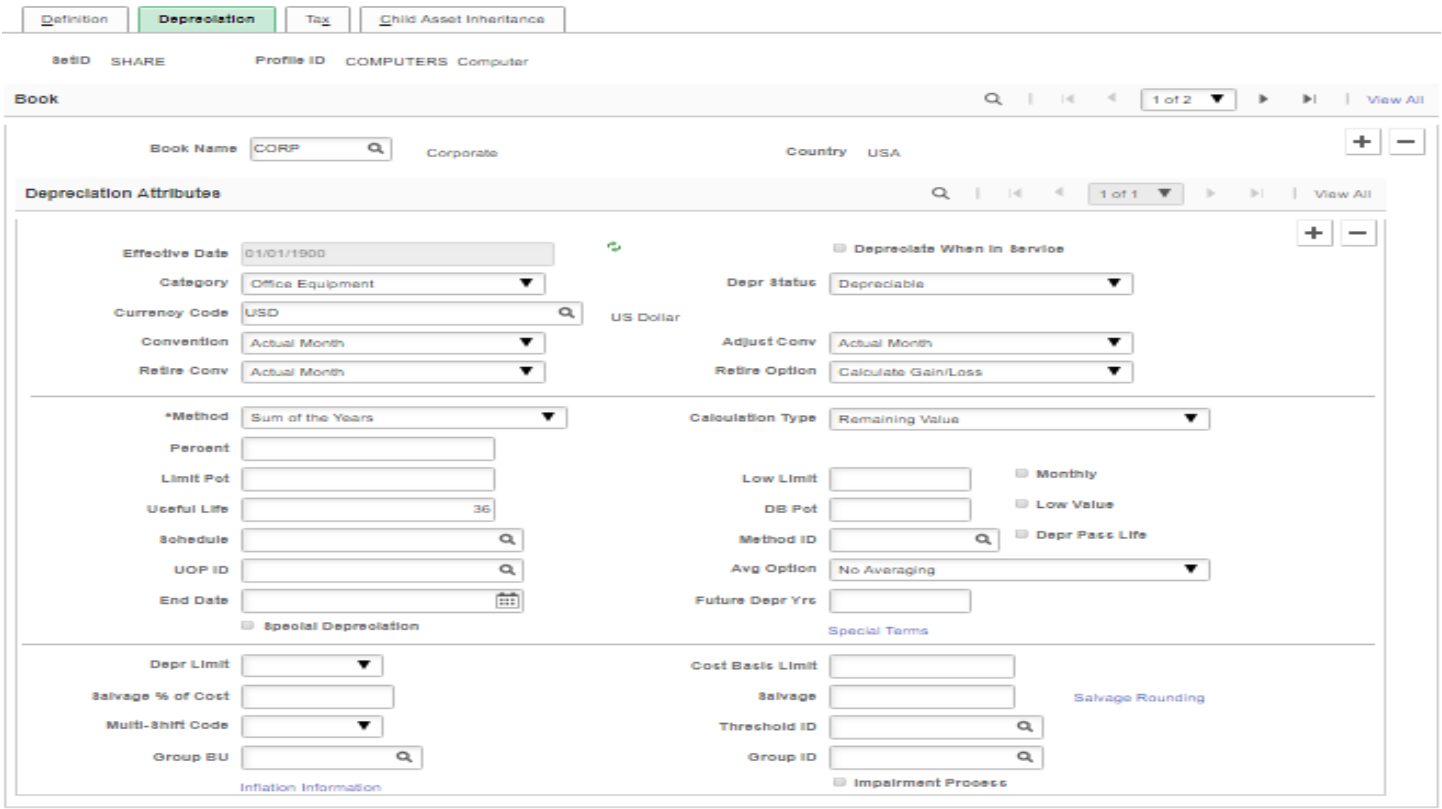
Accounting Entry Templates

- Accounting Entry Templates needed for each combination of Asset Category & Transaction Types. At a minimum AE Templates are needed for Add, Transfer, Adjust, Retire, Recat, Lease Expense, Depreciation, Prior Period Depreciation and Lease Payment/Prior Period Lease Payment.



Asset Profiles

- Profile – Book Depreciation Attributes
- Depr Status should be 'Depreciable' for GASB-87 & IFRS-16 and ASC-842 Finance Leases.
- For FASB-842 Operating Leases it should be 'Non-Depreciable'



Dates in Lease Administration

- **Commencement Date** is the start date of the lease payment stream
- **Termination Date** is the end date of the lease payment stream
- **Lease Signed** is the date the lease is signed
- **Accounting Date** is the date when the transaction will record to the GL, i.e. accounted for. This date must fall within the open Accounting Period.
- **In Service Date**: New ROU Asset ADD transactions will also have a In Service Date on each book that determines when the asset is placed in service (financially) and drives the start of depreciation, along with Convention.
- The difference between commencement date and accounting date determines what **prior period lease payments** the system will generate

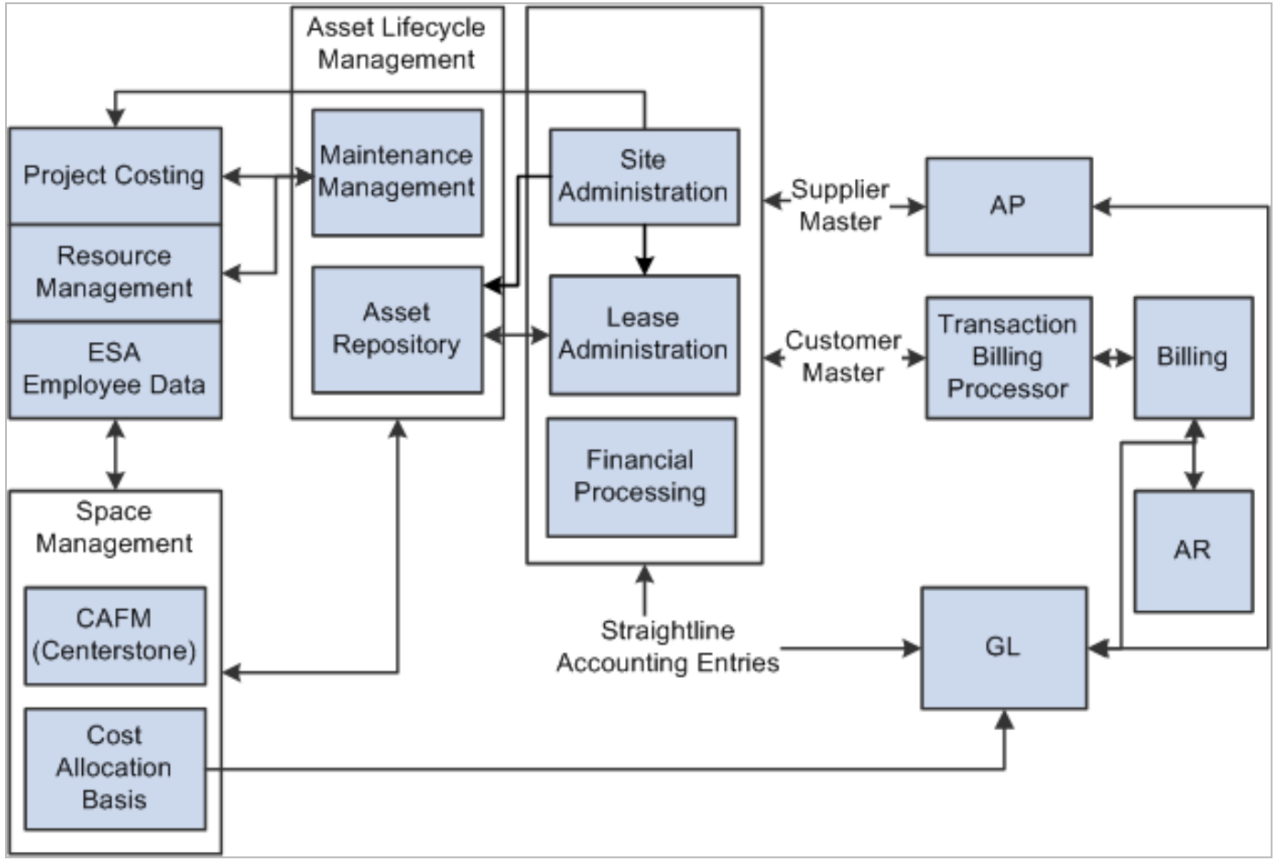
PeopleSoft Lease Administration

Module Integrations

PeopleSoft FSCM Integrations with Lease Admin

Image: PeopleSoft Lease Administration integration flow with other PeopleSoft applications

The following graphic illustrates how PeopleSoft Lease Administration integrates with other PeopleSoft applications.



PeopleSoft Lease Administration

GASB 87 vs. ASC 842 vs. IFRS 16

Accounting Basis Comparison

	ASC-842	IFRS-16	GASB-87
Finance Leases	✓*	✓	✓
Operating Leases	✓**		
Right of Use (ROU) Asset	✓	✓	✓
Lease Obligation	✓	✓	✓
Lease Receivable/Deferred Inflows			✓
Lease Receivable Amortization			✓
Depreciation Expense	✓*	✓	✓
Interest Expense	✓*	✓	✓
Exemption from lease		✓	✓
ROU Amortization	✓**		

* Applicable for FASB ASC-842 Finance Leases

** Applicable for FASB ASC-842 Operating Leases

GASB 87 Gaps

- PeopleSoft LA is fully complaint for Payable Leases
- PeopleSoft LA is not complaint for Receivable Lease where Lease Receivable needs to be accounted based on future Lease Bills which gets amortized over a period of time.
- Oracle has not provided this functionality as of this Training sessions
- To make PSFT LA fully complaint with GASB-87 for Receivable Lease then there is a need for customized accounting for Lease Receivables
- SpearMC has been commissioned to develop this solution, and will be ready in June 2020!

PeopleSoft Lease Administration

Light Product Demonstration

CONCLUDING THOUGHTS

Questions?

Or send to:

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