



BUILT BY ACCOUNTANTS FOR ACCOUNTANTS

User Training Manual – Upload Template

In this document, we will be covering the upload template in detail, including a few things built in to ensure minimal back and forth as well as accuracy of your data.

To start off, each template will be customized to meet the requirements of your specific instance of LeaseQuery. This will include adding necessary custom fields, modifying dropdowns to match your provided organization structure, and adding values for things such as classification.

We recommend filling out the template from left to right, to make full use of the provided macros. On the note of macros, there are a few things to watch out for; this template will indicate required fields with a red outline on a cell. This will fluctuate based on selections made. The template will not be uploaded unless all required fields are populated.

Required fields outline:

| 0 | Capital or Operating | Enter Tenant or Landlord; If the Lease Type is Capital, Role must be Tenant | Options are Yes/No A lease can ONLY be short term if it is an Operating/Tenant Lease | If the lease term is greater than 12 months, and you indicated short term in column D, then this column is required. | If you have an internal company asset number, enter it here. Not Required by LeaseQuery. | Options are: Land, Building, Vehicle, Equipment, Other | Anchor (unanchored) |
|---|----------------------|---|---|--|--|--|---------------------|
| 1 | Operating | Tenant | | | | | |
| 2 | Capital | Tenant | | | | | |
| 3 | Capital | Tenant | | | | | |
| 4 | Operating | Tenant | | | | | |
| 5 | Operating | Tenant | | | | | |

The template will also identify invalid or incorrect data formats as well and will display an error upon input if any are detected.

If a cell is highlighted in red, this indicates the data entered is invalid. Please refer to the column description for specific formatting needs.

Headers in **red** text below are required fields, regardless of the selections made on the template. Headers highlighted in **green** text are required given certain selections. Headers in black text are not required.

Row ID - indicates the Row ID. Each lease will occupy a row, and therefore will be assigned a number sequentially. This column will be auto populated as you go, so no need to worry about entering any information here.

Lease Type - Select the lease type. Your two options are Operating or Capital. Based on your selection here, other fields will be indicated as required. Please note that this should be the designation before transition.

Our Role - Indicate your role for this lease, either Tenant or Landlord.

Short Term Lease - Select "Yes" if this row is a short-term lease. If left blank, the system will default to "No" upon upload. If a lease is indicated as short term, no asset or liability will be calculated in the system.

Override Short Term Lease Comment – This cell must be populated with data if the lease term indicated is more than 12 months, however you are still indicating the lease as short term.

Override Title Transfer Comment - This cell must be populated if "Title Transfer at Lease End" is toggled to yes, but the lease type will be indicated as Operating.

Override Bargain Purchase Comment - This cell must be populated if "Bargain Purchase Option" is toggled to yes, but the lease type will be indicated as Operating.

Override Lease Term Comment - This cell must be populated with data if the lease term is more than or equal to 75% of the useful life, but the lease type is indicated as Operating.

Immaterial lease? – If you would like a lease indicated as immaterial (and therefore not calculating an asset or liability) toggle "Yes" here.

Immaterial Comments – Attach a comment to the immateriality of the lease.

GASB Lease Contract Method (Cash Basis)? – If you elect to apply your GASB method on a lease by lease basis

Our Asset # - Can be used to track an internal asset number, should you have one.

Classification – Select the lease classification. The default choices are Land, Building, Vehicle, Equipment, and Other. Your selection here will determine a few required fields down the line. Most notably, if Building or Land is selected, address information will be required. If any other classification is selected, you will notice columns Make, Model, and Serial Number are now required.

LeaseQuery uses the address as the unique identifier for Buildings and Land, and the Make, Model, and Serial Number as the unique identifier for all other classifications. A combination of the identifier for each classification must be unique for each row.

Building Type and Building Use: Indicate the type and use of the building. These fields are not required.

Make, Model, and Serial Number: Enter the make, model, and serial number as mentioned above. It is important to note that the fields cannot be populated if land or building is the selected classification.

Local and Functional Currency: Make your currency selections. These are both dropdown fields. Please note that local currency is the currency the lease is written in, while functional currency would be the currency that the business unit or entity operates in.

Model year – Overtime Usage Fee - Used for leases other than building or land. You can fill out things like model year, condition, and contract or schedule numbers. These fields are not required.

Total Area - Total area of an asset (in square feet) may be entered here. Keep in mind that this can only be entered for building or land leases.

Our Description - Describe the asset. This is a free text field and will accept all types of data. This is not a required field.

Lease Title – If you have an internal lease title, add it here. This field can be pulled into reports and lease abstracts.

Address information: Indicate the address of the asset. These fields are only required for building or land leases (apart from country, which is required for all lease types).

Date information (Execution date through Contract End Date): To touch on each one briefly; **Execution date (not required)** would be the date that the lease is signed. **Commencement date (not required)** would be the start date of the lease term. **Possession date (required)** would be the day that you have access to the asset. Keep in mind that all accounting will start on the possession date, not the commencement date. In most cases these will be the same, but there are instances where they are not. An example would be an early access date.

Current end date (required) would be the end date of the current term or renewal. **Contract end date** would be the original end date of the lease. As an example, if we signed a lease that termed in December of 2018, and renewed that lease for 2 years the current end date would be December 2020, while the contract end date would be December 2018. **The only date fields required are Possession date and Current End date.** If you are reasonably certain to renew, the current end date should extend through those renewal terms.

Useful Life - This will need to be a value entered in months, so if the useful life is 5 years, you would enter 60 here. Keep in mind this field is not required and is used for the integrated capital vs. operating lease test.

Title Transfer at Lease End – If ownership of the asset transfers at the end of the lease, indicate that with a “Yes” here. Used for the Cap vs. Op lease test.

Specialized Use – If the asset is of specialized use, (defined as: A Leased asset so specialized in nature that it is expected to have no alternative use to the lessor at the end of the lease term) indicate that with a “Yes” here. Used for the Cap vs. Op lease test.

If the title of an asset is transferred to you at term end, indicate that with a yes in the "Title Transfer at Lease End" column. Once again, this is not required and is only used for the integrated capital vs. operating lease test

Renewal Information:

Renewal 1 Period – If a lease has a renewal option, enter the period (In months) the renewal term is for. No comments will be accepted here, the value must be a number (i.e, 60 = 5 years)

Earliest Renewal 1 Date – The earliest date you may notify a landlord of your intent to renew.

Latest Renewal 1 Date – The latest date you may notify a landlord of your intent to renew.

Renewal 1 BR – Enter the base rent of the renewal, if known, here. This is not used for any calculations and is strictly for information storage purposes.

Renewal 1 BR Escalation – Enter the annual escalation of the renewal, if applicable. If it is a percent, be sure to include a percent sign.

Renewal 1 Reasonably Certain to Renew – This is a Yes/No field. If Yes is selected here, you will need to fill in base rent information for both the original lease term as well as any renewal terms you are reasonably certain to renew.

Renewal 1 Comments – Enter any comments or notes related to the first renewal option here.

The fields are replicated for a second renewal option and are populated in the same manner.

Termination Information –

Terminate Option – This is a Yes/No field. If there is a termination option, select yes here.

Terminate Earliest Notice Date – The earliest date you may notify a landlord of your intent to terminate

Terminate Latest Notice Date - The latest date you may notify a landlord of your intent to terminate

Terminate Advance Notice Period Days - Enter this as a number of days.

Terminate Penalty – You may enter the penalty fee for termination here.

Termination Fee Due Months – If the fee due is a number of months of base rent, enter the number of months here.

Purchase Option Information:

Purchase Option – This is a Yes/No field. If a lease has a purchase option, select Yes here.

Purchase Amount – If purchase option is set to yes, enter the amount here. This must be a number and cannot contain any letters.

Bargain Purchase Option – If a lease contains a bargain purchase option, enter the amount here (i.e, 1.0 for 1 dollar).

Certain to Purchase – If you are certain to purchase the asset, select Yes here.

Purchase Earliest Notice Date – Earliest date you can notify a landlord of your intent to purchase the asset.

Purchase Latest Notice Date - Latest date you can notify a landlord of your intent to purchase the asset.

Comment Fields - will be for adding comments and/or dates to things such as right of first refusal clauses, automatic renewal, and maintenance clauses. The comment fields are free text, while the date fields will need to be in MM/DD/YYYY format. The dates entered here will also trigger alert notifications.

Email Alert Recipients - Indicate the email(s) of the user(s) you would like to receive notifications for lease related activity. This will be for things like renewal notice dates, rent changes, lease expirations, among others. This field is required. If multiple emails are necessary, separate each one with a comma. We recommend that clients use an email distribution group if possible, to avoid having to edit your lease population should you have staffing changes.

Vendor Company Name - Enter the name of the vendor. This is the only contact field that is required.

Vendor Contact – Payor Email: Enter all supplementary contact information (such as phone, email, fax, and address). You can do this for the vendor, broker, property manager, and payor (should the entity you are making payments to differ from the vendor).

Payment Information: Enter financial information. Please see the image on the next page for payment type descriptions and instructions:

| | |
|----------------------------------|---|
| Payment Remains SAME | This payment type is used when a lease has a fixed payment throughout the term. Do not select this payment type if a payment varies whatsoever. When "Payment Remains Same" is selected, you will use columns "Base Rent", "BR Frequency", and "BR FPD" to enter the rent information. <u>Do not put any information in "BR Escalation" through "BR Last Payment Date 3" columns.</u> |
| Payment Varies Constantly | This payment type is used when a lease has a consistent increase in rent each year (like 3%). Do not select this payment type if the increase (or decrease!) in rent is not consistent. When this payment type is selected, you will utilize columns "Base Rent", "BR Frequency", "BR FPD", and "BR Escalation". <u>Do not put any information in columns "BR Amount 1" through "BR Last Payment Date 3".</u> |
| Payment Variance is NOT CONSTANT | This payment type is used when the rent payments for a lease vary at an inconsistent rate. This could be for things like half rent periods, abatement periods, among others. When this payment type is selected, you will utilize columns EY through FM for the rent entry. <u>Do not put any information in columns "Base Rent" through "BR Escalation".</u> Put the very first rent amount in "BR Amount 1", followed by the frequency in "BR Frequency", and the first and last payment dates in columns "BR First Payment Date 1" and "BR Last Payment Date 1" respectivley. Continue with BR amount 2,3,4 etc. as needed. |

Base Rent Sales Tax % - Indicate the base rent sales tax percentage, if applicable. This field is not required.

Base Rent Comment - Enter any comment related to base rent. This is a free text field and is not required.

Beginning (Deferred) Prepaid Rent – If you are starting a lease in the software on a date other than the possession date, you may enter the starting deferred or prepaid balances here. Deferred balances should be entered as a negative, while prepaid balances should be entered as a positive.

Borrowing Rate – This will be the borrowing rate at lease inception. If a lease starts prior to your company's transition date, the system will automatically discount the lease based on the rate entered in the policies tab (unless "Transition Rate (Override)" is populated). For leases that start on or after your transition date, the system will use the rate entered here.

GAAP Transition Rate (Override) – Use this option if specific leases will need the GAAP transition rate to be the different than that listed in the policies tab. Your client administrator will need to allow this from the policies tab in the software.

IFRS Rate (Override) - Use this option if specific leases will need the IFRS transition rate to be different than that listed in the policies tab. Your client administrator will need to allow this from the policies tab in the software.

Capital Lease Fields (Non-renewal penalty – Expected Residual Value): These are capital lease only fields. Please leave these blank if the lease is identified as operating.

Fair Value – If you would like the capital vs. operating lease test performed upon upload, please indicate the fair value here for the fair value portion of the test. This field is not required.

Rent Due By Day – Enter the rent due date (by day).

GL Account Fields (Cash/AP Account – Impairment Liability Prior To Transition Account) - Identify GL Account numbers here. These will be assigned on a lease by lease basis, and the standard and custom journal entry templates will pull account numbers from here. See an excerpt of how this looks in the software below:

| Base Rent | |
|------------------------------------|----------|
| Current Month's Payment: | 4,500.00 |
| Use Cash Basis?: | No |
| Borrowing Rate: | 3% |
| Cash/AP Account: | 12345 |
| Base Rent Expense Account: | 12345 |
| ST Deferred Rent Account: | 12345 |
| LT Deferred Rent Account: | 12345 |
| ST Prepaid Rent Account: | 12345 |
| LT Prepaid Rent Account: | 12345 |
| Lease Expense Account: | 12345 |
| ROU Asset Account: | 123456 |
| ST Lease Liability Account: | 123456 |
| LT Lease Liability Account: | 123456 |

[PAYMENT DETAIL](#) [AMORTIZATION SCHEDULES](#)

CAM Payment Information: Enter CAM payment information here. Follow instructions in relation to base rent, as they are the same (page 6 of this document).

CAM Future Payment Month and CAM Future Payment Year: If you would like a notification to update CAM on a specific month and year, please indicate that here.

CAM Trued Up? – Indicate if CAM is a fixed payment here. If you indicate “Yes”, it will be included in the ROU Asset and Liability calculations.

CAM Sales Tax % – Indicate the sales tax percentage applicable to CAM here. Enter this as a percent, such as 7%.

CAM Comment – Enter any comments related to CAM here. This is a free text field.

Tax and Insurance Payment Information (Tax Payment Type – Insurance Comment) – Enter Tax and Insurance payment info the same as CAM and Base Rent (refer to page 6 of this document)

Percentage Rent Module (Beginning Sales Month – Annual Break Point): If a property has a percentage rent clause, you may enter that information here. You will need to enter the Month the sales year begins, the percent of base rent, and the breakpoint type (either natural or annual). You will also have columns here for the necessary account numbers.

Security Deposit – Select “Yes” here if this lease has a security deposit. The system will default to “No” if this is left blank.

SD Amount – If “Yes” is selected in the “Security Deposit” column, fill in the corresponding amount here.

SD Comments – Any comments related to the security deposit can be entered here.

Incentive – If this lease has an incentive, select “Yes” here. If left blank, the system will default to “No” upon upload.

Incentive Description – Enter a description for the incentive here.

Incentive Amount – If “Yes” is selected in the “Incentive” column, enter the incentive amount here. This is required if incentive is selected as “Yes”.

Incentive Expense Account and Incentive Liability Account – Enter incentive related accounts here.

Initial Direct Cost – Yes or No toggle. If a lease has an initial direct cost to be amortized, select Yes here.

Initial Direct Cost Amount – Amount of initial direct cost.

Initial Direct Cost Description – Description of the initial direct cost.

Initial Direct Cost Asset Account – GL asset account for initial direct cost.

Initial Direct Cost Expense Account – GL expense account for initial direct cost.

Unfavorable Lease Intangible Liability – Yes or No toggle. If a lease has an unfavorable lease intangible liability to be amortized, select Yes here.

Unfavorable Lease Intangible Liability Amount – Unfavorable lease liability amount.

Unfavorable Lease Intangible Liability Description – Description of unfavorable lease liability.

Unfavorable Lease Intangible Liability Account – Account of unfavorable lease

Unfavorable Lease Expense Account – Expense account of unfavorable lease.

Favorable Lease Intangible Asset – Yes or No toggle. If a lease has an initial direct cost to be amortized, select Yes here.

Favorable Lease Intangible Asset Amount – Amount of favorable lease asset.

Favorable Lease Intangible Asset Description – Description of the favorable lease asset.

Favorable Lease Intangible Asset Account – GL asset account for favorable lease asset

Favorable Lease Expense Account – GL expense account for favorable lease asset.

IFRS Cumulative Approach – Select which IFRS approach will be elected, either cumulative approach 1 or 2 (if electing on a lease by lease basis).

Allocation Information – This is where you will allocate to the lowest level of your provided structure for each lease. Select the item from the dropdown in the “Allocation Beneficiary 1” column and indicate the percentage in the adjacent “Allocation Percentage 1” column. If additional items are needed, add two additional columns to the right of the “Allocation Percentage 1” column. The header names will be virtually the same as the prior two columns, however the “1” in each will need to be replaced with a “2”. You can do this as many times as needed, keeping in mind the percentage must add up to 100%.