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how do you choose the right lease accounting software for your needs?

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The new lease accounting standard is intricate, with many complicated factors involved in transitioning. While some corporations have opted to use spreadsheets to manage their leases, [implementing the lease standard with spreadsheets](#) is risky.

Opting to use software is a smarter choice, but brings its own separate dilemma: how do you choose the right lease accounting software for your needs?

For CPA firms, it is important to analyze your firm's goals, budget and client base to

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- Easily generate monthly journal entries and import those journal entries into the accounting system;
- Perform all required quantitative calculations to comply with the new financial statement lease disclosure requirements;
- Prepare lease amortization schedules that include all required accounts (e.g., right of use assets, short-term and long-term lease liabilities, interest expense, amortization expense, etc.) and journal entries;
- Customize account numbers and descriptions that match each client's chart of accounts and journal entry formats;
- Simplify and document policy elections.

There should also be standard and customizable reporting options, with the flexibility to report on all different types of leases required.

2. Flexibility & scalability

It's important to find lease accounting software that meets the needs of all your clients, so flexibility and scalability are essential. Ask these questions:

- Is the software too focused on one industry, or can it address the needs of all asset types?
- Can you attach documents and notes to the lease record to hold all information and explanations in one place?
- Does the software work for clients with both a small or large lease portfolio, including various complexity of terms and provisions in those leases?
- How many users can access the platform?

3. Accuracy

Accurately entering existing lease data into the software is a critical piece in

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4. Audits & reviews

One of the biggest advantages in using lease accounting software over spreadsheets is simplifying the audit and review process. Ensure there are built-in audit trails and transparency, as well as reporting options needed to audit inputs and outputs.

You want to ensure you're maintaining your independence as a CPA firm, so ask if [the system complies with AICPA guidelines for hosting services](#).

5. Training & support

Implementation and ongoing support are critical areas to evaluate in lease accounting vendors. Ask questions such as:

- How comprehensive is the training and implementation process?
- What self-service training is available, such as guides and narrated videos?
- Can you access, or purchase later, additional training as needed?
- Is there ongoing support for users?
- Does the implementation and support team have a solid understanding of lease accounting or are they just generic customer service representatives?
- Are there added costs for any of the training, implementation, or support activities?

6. Data access and security

As a CPA firm working with clients to implement the new lease standard, you'll want to ensure that your chosen software solution enables that collaboration through different access capabilities. Are single-sign-on capabilities available for access across clients? Can your firm and clients both access the same information?

Data security is another of the major advantages of using lease accounting software

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- Are there additional fees for implementation or support?
- Does all the functionality come with the base price or are modules priced separately?
- Is it priced per user, per lease or a flat annual fee?

Dig deeper into lease accounting software pricing considerations here:
leasecrunch.com/blog/lease-accounting-software-pricing-considerations

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