



GASB 87 is new accounting guidance from the Governmental Accounting Standards Board that deals with leases. Beginning with reporting periods that begin after June 15, 2021, governmental entities, including public universities, will need to treat leases very differently.

The goal of GASB 87 is to improve the transparency of assets and liabilities that are created through an organization participating in a lease, by presenting data about long term (greater than 12 month) leases to the balance sheet. This will be accomplished by recognizing these leases at initiation as a declining asset or liability depending on the organization's participation as a lessee or lessor. In addition, financial statements are required to contain notes that detail the status and current value of the leases that make up these assets and liabilities.

According to a major accounting firm¹, the key steps to a smooth implementation of GASB 87 are:

- Creating an inventory of potential contracts to evaluate
- Determining which contracts meet the definition of a lease
- Review lease contracts for multiple components, such as multiple asset components and service components
- Identifying any contracts that can be excluded based on an exception or materiality
- Gathering key data from contracts in order to determine the lease term and calculate lease liability/asset or receivable/deferred inflow
- Gather data required for footnote disclosures

RevenueVision® is the perfect solution for colleges and universities and other public entities to deploy today in order to be prepared for GASB 87 compliance. RevenueVision, a cloud-based contract management platform, currently in use by dozens of colleges and universities to manage their revenue producing auxiliary operations, provides all of the necessary functionality to implement GASB 87 including:

- Providing a repository for the inventory of all contracts and leases and tracking all terms, conditions, and key dates.
- Providing the necessary information required to determine the lease term and calculate lease liability/asset or receivable/deferred inflow.
- Providing the reporting capability needed for the financial statement footnote disclosures.
- Performing the necessary calculations to determine the net present value of leases and related financial schedules.

For more information about RevenueVision® and GASB 87 or to request a demonstration, please contact our Sales Team at 407-382-1959 or via email at sales@RevenueVision.com.

¹ Dobson, Jodi and Carla Gogin, Preparing for Lease Accounting under GASB 87, Sep 26, 2018 <https://bakertilly.com/insights/preparing-for-lease-accounting-under-gasb-87> (accessed July 12, 2019)