An Overview of the New Accounting Model for Leases
Leasing is an important source of financing for many entities in the United States and around the globe. Many entities enter into leasing arrangements to gain access to assets, obtain financing or reduce exposure to the risks of ownership of an asset. Yet, under the accounting model for leases in Topic 840, Leases, lessees do not recognize assets and liabilities arising from operating leases. Financial statement users expressed major concerns that the model in Topic 840 does not reflect the true economic substance of an operating lease transaction because it leaves a large financing resource off the balance sheet. Investors and analysts also want better information about the risks lessors manage in relation to the residual value of their leased assets.

As a result of these concerns, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) began a joint project in 2006 to restructure the lease accounting guidance for both lessees and lessors under U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS). This project aimed to increase transparency and comparability among organizations by requiring lease assets and lease liabilities to be recorded on the balance sheet and requiring key disclosures about these arrangements. Despite years of working together, the FASB and the IASB did not achieve full convergence on this project and issued distinct standards:

- In January 2016, the IASB issued its final standard, IFRS 16, Leases, which supersedes the guidance in IAS 17.
- In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). This ASU supersedes the guidance in Topic 840 and introduces Topic 842, Leases. The topic primarily addresses the criticisms of existing leasing guidance related to a lessee’s accounting for operating leases. In particular, lessees must recognize a right-of-use asset and a lease liability for all leases, including operating leases. Although lessor accounting is not fundamentally changed as a result of this ASU, some amendments conform the lessor guidance to the revenue recognition model in Topic 606, Revenue from Contracts with Customers.

**Observation:** The changes to lease accounting represent a significant change in lessee accounting for operating leases. With few exceptions, all leases must be capitalized, leading to significant effects on the reporting and documentation requirements of lessee preparers. Capitalization may also affect key financial ratios, such as debt-to-equity and return on assets.

**Observation:** The standards issued by the FASB and the IASB are aligned on certain major concepts. For instance, both standards require leases to be recognized on the balance sheet and use the same definition of a lease.

The standards, however, present important differences. Most notably, Topic 842 provides two classifications for lessees (operating and finance). IFRS 16 only provides one classification for lessees. Under IFRS 16, all leases will be accounted for by a lessee similar to the approach for finance leases under Topic 842.

To-date, the FASB has issued a relatively small number of amendments to the guidance in Topic 842 in response to stakeholder feedback. Generally, the effective date and transition requirements of the subsequent amendments are the same as the transition guidance in ASU No. 2016-02. The amendments affect entities and industries to varying degrees. The magnitude of the effects depends largely on an entity’s industry and the nature and volume of its lease portfolio. Overall, the amendments are targeted at specific paragraphs within Topic 842, which may not apply to all entities, and which may affect only the lessee or lessor in a transaction. Categorically, the large majority of amended paragraphs result from technical corrections or minor clarifications.
**Scope of the New Guidance on Leases**

Topic 842 defines a lease as a contract that provides the right to control an identified asset (property, plant and equipment) for a period of time in exchange for consideration.

The scope of Topic 842 includes all leases and subleases, except for leases of:

- Intangible assets
- Biological assets
- Exploration or use of non-regenerative assets (e.g., oil and gas and minerals)
- Inventory
- Assets under construction

A lease can be a contract or a portion of a contract. The scope of the lease guidance excludes nonlease components, such as service arrangements. As a practical expedient, though, lessors and lessees may elect an accounting policy by class of underlying asset to account for the related lease component and the nonlease components of a contract as a combined component.

**Definition and Classification of a Lease**

**Revised Definition of a Lease**

A contract is a lease if it provides the lessee with the right to control an identified asset for a period of time in exchange for consideration. An entity has control over the underlying asset if it has both:

1. The right to obtain substantially all of the economic benefits from the use of the asset
2. The right to direct the use of the asset

**Observation:** The notion of control of the underlying asset was introduced in the definition of a lease by ASU No. 2016-02. While, in practice, this will not result in many changes in the characterization of a contract as a lease, there may be cases where a contract is considered a lease under Topic 840 but not deemed a lease under Topic 842.

**Observation:** The ability to control the underlying asset is what distinguishes a lease from a service contract.

In order to meet the definition of a lease, the contract must provide for the use of an explicitly or implicitly identified asset owned by another party. This asset must be physically distinct and the supplier of the asset cannot have substantive substitution rights.
Classification of a Lease

Under Topic 842, a lessee must distinguish between a finance lease and an operating lease in order to determine how to recognize the changes in lease assets and liabilities in the income statement. This classification is broadly similar to the distinctions between a capital lease and an operating lease in Topic 840.

Lessors must classify their leases as operating leases, sales-type leases or direct financing leases. As compared to Topic 840, Topic 842 includes an additional criterion regarding the classification of a lease: If the leased asset is so specialized that it is not expected to have an alternative use to the lessor at the end of the lease, then the lease is a finance lease for the lessee and a sales-type lease for the lessor.

### Lease Classifications

<table>
<thead>
<tr>
<th></th>
<th>Lessees</th>
<th>Lessors</th>
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<tr>
<td><strong>Finance</strong></td>
<td>Provides a lessee with the right to both:</td>
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<td></td>
<td>1) Direct the use of the underlying asset and</td>
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<td></td>
<td>2) Obtain substantially all of the benefits from using the asset</td>
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<tr>
<td><strong>Operating</strong></td>
<td>Provides a lessee with the ability to control the underlying asset</td>
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<td><strong>Sales-Type</strong></td>
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<td><strong>Direct Financing</strong></td>
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The classification of a lease is determined at inception and is not reassessed at a later date unless the contract is subsequently modified. The following decision tree depicts the process for a lessee to classify a lease as a finance or operating lease:

**Lessee’s Classification of a Lease**

- **Does the lease transfer ownership to the lessee at the end of the term?**
  - **Yes:** Is the lessee reasonably certain it will exercise this option?
    - **Yes:** Classify the lease as a finance lease.
    - **No:** NO
  - **No:** NO

- **Does the lease give the lessee the option to buy the asset at the end of the term?**
  - **Yes:** Is the present value of lease payments plus the lessee residual value guarantee equal to or greater than the fair value of the asset? **
    - **Yes:** NO
    - **No:** Is the asset expected to have an alternative use to the lessor at the end of the lease term?
      - **Yes:** Classify the lease as an operating lease.
      - **No:** NO

* If the lease commencement date is at or near the end of the economic life of the underlying asset, this does not apply (answer “No”).

** The residual value guarantee in this calculation does not include amounts that are already reflected in the lease payments.

**Observation:** The lease classification is no longer relevant to the determination of whether an asset or liability is recognized by a lessee on the balance sheet. This is a significant change in lease accounting because Topic 840 only required the recognition of an asset or liability for capital leases. The lease classification under Topic 842 does, however, affect how revenues and expenses from the leasing arrangement are recognized.

**Observation:** A lessee must evaluate a leasing arrangement to determine whether it is a finance lease. The criteria for a finance lease are similar to the criteria for a capital lease under Topic 840. If the lease does not satisfy the criteria for a finance lease, it is classified as an operating lease.
Observation: Topic 840 included a number of criteria to consider when determining a lease classification. The following criteria included bright-lines:

- The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments at the beginning of the lease term is equal to or greater than 90 percent of the fair value of the property to the lessor (less any tax credits the lessor may realize).
- The commencement date of the lease falls within the last 25 percent of the economic life of the leased asset.

While these bright lines are no longer required under Topic 842, FASB ASC 842-10-55-2 suggests that these thresholds may still be used as a guide under Topic 842. Note that both Topic 840 and Topic 842 include other criteria for lease classification.

Observation: Lease classification under Topic 842 requires a lot of judgment. One of the areas where judgment is required is in the determination of the lease term. Lessees and lessors are required to assess whether lease renewal options are reasonably certain to be exercised or termination options are reasonably certain not to be exercised.

Accounting Model for Lessees in Topic 842

Recognition

Under Topic 842, a lessee must record the following in its balance sheet, regardless of lease classification:

- A liability for lease payments (referred to as the lease liability) = Present value of lease payments
- An asset for the right to use the leased asset during the lease term (referred to as the right-of-use asset) = Lease liability + initial direct costs - lease incentives + prepayments

Observation: Lessees are now required to include nearly all leases on their balance sheets, which is a significant change from prior practice. A lessee must review its portfolio of leases to ensure that it has the appropriate information necessary to determine its lease assets and lease liabilities as required by Topic 842. Further, transition to Topic 842 likely affects key ratios, such as debt-to-equity and return on assets. Management is encouraged to prepare for the additional reporting and recordkeeping requirements and to discuss the effect this standard has on reported or contractual financial ratios.

Similar to the guidance in Topic 840, a lessee must include the following payments in its measurement of these assets and liabilities:

- Payments during optional periods if the lessee is reasonably certain that it will either:
  - Exercise an option to extend the lease or
  - Not exercise an option to terminate the lease
- Payments to purchase the leased asset if the lessee is reasonably certain that it will exercise its purchase option

Lessees are now required to include nearly all leases on their balance sheets.
The term “reasonably certain” reflects a high threshold and is intended to be applied consistently with the term “reasonably assured” in Topic 840. Also consistent with the guidance in Topic 840, a lessee must exclude variable lease payments from its measurement of lease assets and liabilities, unless these payments are dependent upon an index or rate or are in substance fixed payments. Variable payments dependent upon an index or rate are included in estimated lease payments based on the index or rate at the commencement of the lease; this is a simplification from the previous lease accounting guidance.

**Short-term lease election**

If a lessee has a lease with a term of 12 months or less, it may make an accounting policy election (by leased asset class) not to recognize lease assets or lease liabilities. This election generally requires the lessee to recognize lease expense on a straight-line basis over the lease term.

**Measurement**

Under Topic 842, a lessee must distinguish between a finance lease and an operating lease in order to determine how to recognize the changes in lease assets and liabilities in the income statement. This classification is similar to the distinctions between a capital lease and an operating lease in Topic 840.

### Operating Lease

- Single lease cost allocated on a straight-line basis

### Finance Lease

- Interest on lease liability
- Amortization of right-of-use asset

**Finance Leases**

If a lessee has a finance lease, it must measure the right-of-use asset and lease liability at the present value of the lease payments on the balance sheet. Interest on the lease liability is recognized separately from the amortization of the right-of-use asset in the income statement. The statement of cash flows must also reflect the following classifications for a finance lease:

- Repayments of the principal portion of the lease liability are financing activities
- Payments of interest on the lease liability are operating activities
- Variable lease payments are operating activities

**Operating Leases**

If a lessee has an operating lease, it must measure the right-of-use asset and lease liability at the present value of the lease payments in the balance sheet. A single lease cost is recognized in the income statement. This single lease cost generally is recorded on a straight-line basis over the term of the lease. All cash payments for an operating lease are classified as operating activities in the statement of cash flows.

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Under Topic 842, a lessee must distinguish between a finance lease and an operating lease to recognize the related amounts in the income statement.
Private Company Considerations

Topic 842 permits a private company to use risk-free rates when determining the present value of lease liabilities.

Remeasurement

Under Topic 842, a lessee is required to remeasure lease payments under the following circumstances:

• A lease modification occurs that is not a separate contract
• A variable lease payment contingency is resolved (such as an event triggers the conversion of variable lease payments to fixed payments for the remainder of the lease term)
• A change occurs in any of the following:
  – The lease term
  – The reasonable certainty that an option will or will not be exercised
  – The probable amounts owed under a residual value guarantee

Variable lease payments dependent upon an index or rate (such as LIBOR) must be remeasured using the index or rate at the remeasurement date.

Observation: Remeasuring the lease liability is a significant change and requires judgment. Under Topic 840, a lessee did not remeasure the lease liability unless it modified the lease or exercised an option. Under Topic 842, however, various other events or circumstances may require the lessee to remeasure the lease liability.

Lease Components

Under Topic 842, an entity is required to segregate the lease components from nonlease components in a contract. This requirement also exists in the provisions of Topic 840, however, this guidance is limited.

Observation: The FASB expects the separation of a contract into its lease and nonlease components under Topic 842 to be similar to how an entity separates a customer contract into performance obligations under Topic 606. In both cases, an entity must determine if a contract contains a single output or multiple separate outputs.

Topic 842 only applies to lease components in a contract and nonlease components must be accounted for in accordance with other applicable guidance. A lessee must allocate consideration in a contract between the lease and nonlease components on a relative standalone selling price basis. A lessor must perform this allocation in accordance with the allocation guidance in Topic 606. If a contract involves activities that do not transfer a good or service to the lessee or includes amounts paid only to reimburse the lessor for costs, these items are not components in the contract. No portion of the consideration in the contract can be allocated to these items.

Topic 842 additionally provides a practical expedient for lessees for the separation of lease components from nonlease components. A lessee can make an accounting policy election (by leased asset class) not to separate lease and nonlease components in a contract. If this accounting policy is elected, the lessee must account for the entire contract as a single lease component.
**Accounting Model for Lessors**

Topic 842 does not significantly change the accounting for a leasing arrangement by a lessor. There are, however, changes that lessors cannot overlook and that can result in a significant accounting exercise.

Under both Topic 840 and Topic 842, lessors generally recognize lease income on a straight-line basis over the lease term. The large majority of operating leases as defined in Topic 840 will remain operating leases under Topic 842.

Although lessor accounting is not fundamentally changed, some amendments conform the lessor guidance with the lessee guidance and other areas of GAAP, as follows:

- Certain glossary terms that are applied by both lessees (as a sublessor) and lessors are amended so that both parties can use the same definitions.
- Certain provisions align the revenue-generating activities of lessors with the guidance in Topic 606. Consistent with Topic 606, Topic 842 requires a lessor to determine whether a lease is effectively the sale of the underlying asset. This determination hinges on whether the lessee obtains control of the underlying asset as a result of the lease, similar to the transfer of control principle in Topic 606. A lessor may not recognize sales profit or revenue at the beginning of a lease if the lease does not transfer control of the leased asset to the lessee. Topic 842 does not distinguish between leases of real estate or other assets.

A lessor can elect to avoid the separation of related lease and nonlease components and account for the combined component entirely under Topic 606 or Topic 842 if certain conditions are met. This election provides relief to lessors such as landlords with contracts that typically charge tenants and lessees common-area maintenance fees in addition to base rents. The FASB also addresses other common issues in a lease arrangement, such as taxes and insurance costs that are paid by a lessee on the lessor’s behalf.

**Observation:** Consistent with existing lease accounting guidance, a lessor must classify a lease as operating, direct financing or sales-type under Topic 842.

<table>
<thead>
<tr>
<th>Sales-Type Lease</th>
<th>Direct Financing Lease</th>
<th>Operating Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control of the asset is transferred from the lessor to the lessee</td>
<td>Control of the asset is not transferred to the lessee, but the lessor does not maintain control of the asset</td>
<td>Lessor maintains control of the asset</td>
</tr>
</tbody>
</table>

Notwithstanding the fact that lessor accounting is for the most part similar under Topic 842 and Topic 840, there are a few differences that could be significant for lessors:

- Uncertainty about the collectibility of lease payments and residual value guarantee is no longer a reason not to classify a lease as a sales-type lease. It does, however, affect when a lessor can derecognize the underlying asset and recognize lease payments in the income statement.
- Some leases with variable lease payments that were classified as operating leases under Topic 840 may now be classified as sales-type or direct financing, resulting in the possibility of a loss on the lease commencement date.
- Initial direct costs are more limited under Topic 842 than they were under Topic 840. Topic 842 defines initial direct costs as the incremental costs that would not have been incurred had a contract not been obtained. As a result, certain costs that were capitalized under Topic 840 may now have to be expensed when incurred.
- The timing of recognition of a profit or loss resulting from a sales-type lease may be different under Topic 842.
Topic 842 does not contain guidance specific to leveraged leases entered into after an entity’s adoption date. Existing arrangements at the date of transition are grandfathered and entities may continue to apply the guidance specific to leveraged leases in Topic 840 to existing contracts. New contracts, however, cannot be accounted for as leveraged leases on a prospective basis. Similarly, entities may no longer account for a lease as a leveraged lease if a pre-existing leveraged lease is modified after the adoption of the guidance in Topic 842.

**Sale and Leaseback Transactions**

In order for a sale to occur in a sale and leaseback transaction under Topic 842, the asset transfer must satisfy the sale requirements in Topic 606. If the transaction does not satisfy these requirements, a sale has not occurred. The buyer-lessee is not permitted to account for a purchase if the seller-lessee cannot recognize a sale. This transaction is accounted for as a financing transaction by both parties.

Topic 842 provides the following circumstances that preclude sale accounting:

- If the leaseback is classified as a finance lease by the seller-lessee or a sales-type lease by the buyer-lessee, the transaction does not qualify as a sale
- If the seller-lessee has an option to repurchase the asset from the buyer-lessee, the transaction does not qualify as a sale, unless the following conditions exist:
  - The asset is not specialized
  - The exercise price of the option is equal to the fair value of the asset on the exercise date

Many real estate transactions that would not have qualified as a sale under Topic 840 may now qualify for sale and leaseback accounting under Topic 842. Conversely, many transactions involving non-real estate assets that would have qualified as a sale and leaseback transaction under Topic 840 might not qualify for sale and leaseback accounting under Topic 842. Refer to Section 842-10-55, Leases—Overall—Implementation Guidance and Illustrations, for further information on determining whether a transfer of an asset in a sale and leaseback transaction qualifies as a sale.

If a transaction was previously accounted for as a sale and leaseback under Topic 840, the entity is not required to reassess the transaction under the provisions of Topic 842.
Observation: This represents a significant change from the prior accounting model. Because most leasebacks are operating leases, they were often not recognized on the balance sheet of the seller-lessee. In addition, gains on the sale of the asset were deferred and amortized over the lease term under Topic 840; they are recognized immediately under Topic 842.

Transition Provisions and Next Steps

ASU No. 2016-02 is effective for interim and annual periods beginning after December 15, 2018, for any of the following:

- A public business entity
- A not-for-profit entity (including a conduit bond obligor) that has issued securities that are traded, listed or quoted on an exchange or an over-the-counter market
- An employee benefit plan that files financial statements with the U.S. Securities and Exchange Commission (SEC)

All other entities must apply the guidance in ASU No. 2016-02 for annual periods beginning after December 15, 2019, and interim periods beginning after December 15, 2020. Any entity may early adopt the new guidance.

Lessees and lessors are required to recognize and measure leases under the new guidance using a modified retrospective approach. The transition guidance allows an entity to recognize a cumulative-effect adjustment either as of:

- The beginning of the earliest period presented or
- The opening balance of retained earnings in the period of adoption (an optional, alternative approach)

An entity that elects the alternative approach provides legacy disclosures under Topic 840 for the prior periods. The alternative transition approach does not change the requirement to use the modified retrospective method to account for the cumulative effects of a change in accounting principle, and it does not modify the effective date of the new standard.

Observation: The alternative transition approach may provide significant relief in the year of adoption by reducing the cost and effort required to implement new systems solely for comparative reporting purposes.
A package of practical expedients exist related to the identification, classification and initial direct costs of leases that began before the effective date of ASU No. 2016-02, as well as the ability to use hindsight to evaluate lessee options to extend a lease, terminate a lease or purchase a leased asset. If an entity elects a practical expedient, it continues to account for leases that began before the effective date of the ASU in accordance with previous guidance with the following exceptions:

- A lessee is now required to recognize a right-of-use asset and a lease liability for all leases at each reporting date, measured at the present value of the remaining minimum payments that were tracked under previous guidance.
- A lessee must begin to apply Topic 842 if an event occurs that requires the lease liability to be remeasured.
- Both lessees and lessors must begin to apply Topic 842 if an existing lease is modified.

Transition relief in the form of a practical expedient is also available for entities that have not historically accounted for existing land easements as leases.

**Observation:** Most of the practical expedients must be elected as a package. This is to limit the potential ways that preparers might transition to the new guidance. An entity, however, is allowed to elect the practical expedient to use hindsight regardless of whether it chooses to elect the other practical expedients.

In the initial period of adoption, an entity must provide the transition disclosures required by Topic 250, Accounting Changes and Error Corrections, except for the disclosures in FASB ASC 250-10-50-1(b)(2). The transitional guidance in ASU No. 2016-02 also includes specific provisions regarding:

- Sale and leaseback transactions
- Build-to-suit leases
- Leveraged leases
- Amounts that were previously recognized as part of a business combination

**Observation:** Lessors, in particular, may be interested in adopting the new lease standard early, in conjunction with the new revenue recognition standard. Both standards will require significant amounts of work and a lessor may leverage the work done for the implementation of one standard to implement the second one.
Next Steps

Given the large number of leases that many companies have, adoption of Topic 842 likely requires a significant effort. In addition, companies are implementing several major accounting standards; resources are likely strained.

Here are the activities that companies must perform now, if they have not already done so:

- Prepare an inventory of leases: Because most leases were off balance sheet until now, many companies do not have a centralized inventory of leases with their key terms (such as renewal options). The number of hours needed to identify, read, interpret, and abstract a single lease arrangement, multiplied by the number of leases identified, cannot be underestimated. As part of analyzing the accounting effects of the new standard, some companies may also uncover embedded lease arrangements that may require different accounting treatment under the new standard. An entity’s ability to create an inventory of leases and mine the relevant data will determine the success of its implementation.

- Review the reporting systems used for leases: For the same reason, many companies track their leases in Excel spreadsheets. Public companies must consider the controls in place around their systems and their adequacy and effectiveness. Private companies are encouraged to perform the same exercise.

- Evaluate the disclosure requirements: Topic 842 includes increased qualitative and quantitative requirements for both lessors and lessees. Companies must identify their data gaps and identify solutions to gather the information that will have to be disclosed in the financial statements.

- Involve other departments: Because the addition of a large right-of-use asset and lease liability affects key ratios, companies may want to review their debt covenants and other contractual triggers to renegotiate them as early as possible and draft new clauses in contracts. This will most likely require the involvement of several departments, such as treasury and legal.

The FASB did not create a specific Transition Resource Group for leases. Companies are encouraged to send their questions to the FASB, if any, through their regular inquiry process.

Topic 842 represents a significant change for lessees and even if the accounting for lessors represents less of a change, companies still have to understand the details of the new guidance to adopt it. Both lessees and lessors have to assess how pervasive the changes are to their specific situations in order to plan for a smooth adoption of the new leasing standard.

**Observation:** As public companies wrap up their initial implementation efforts, they must maintain appropriate documentation to support key judgments and decisions in applying the standard. Public companies also must look closely at the disclosure requirements. Drafting disclosures is a critical part of the implementation process. Topic 842 requires extensive qualitative and quantitative disclosures. The information disclosed must enable users of financial statements to evaluate the amount, timing, and uncertainty of cash flows from leases. Both lessees and lessors must be prepared to provide new types of disclosures. In particular, lessees must disclose information about leases that have not yet commenced, but create significant rights and obligations; lessors must provide new disclosures about their exposures to residual asset risk as well as tabular disclosures about the components of lease income.
Observation: For nonpublic companies, the effective date of the standard is not until the end of 2019. Nonpublic companies that have not yet begun implementation are encouraged to do so as soon as possible. Nonpublic companies may be able to garner insight and advice on best practices from public companies that have already implemented the standard. SAB 74 disclosures can also already provide information as to the implementation method companies are leaning towards and the expected effect on financial statements.

CHECKPOINT SEARCH TIPS:

SECPplus Advanced: To quickly review EDGAR filing discussing the potential effect or adoption of Topic 842, use SECPplus Advanced to run a “Selected Sections only” search with keyword.

Sample Search Terms:
- Keyword: “2016-02” /s “early adopted”
- Selected Sections only
- Form 10-K or Form 10-Q
- Sections: Notes to Financial Statements
- Filing Date: Last 3 months
Recommended Guidance, Resources, and Solutions

Checkpoint Catalyst: US GAAP

Checkpoint Catalyst: US GAAP is the next generation of online research that gives practical insight and expertise on accounting topics that are complex, undergoing changes or challenging to apply — including revenue recognition, leasing, financial instruments, and accounting for income taxes. Research is approached from a fresh, new perspective where content is always delivered in context along with powerful insight into related issues, so you’ll never miss an important detail.

GAAP Reporter with FASB Codification

GAAP Reporter with FASB Codification is a unique research resource designed to help accounting and financial reporting professionals ensure compliance with GAAP (Generally Accepted Accounting Principles). Our expert authors provide in-depth, section-by-section guidance, interpretation and analysis on the entire breadth of the Financial Accounting Standards Board’s (FASB) Codification, as well as updated coverage to reflect any new changes issued by FASB.

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Checkpoint Learning Webinar: Understanding the FASB’s New Standard on Leases

The FASB’s new standard on leases is a significant change to lease accounting, requiring — among other things — nearly all leases to be presented on the balance sheet. This webinar provides an overview of the guidance for both lessees and lessors, with a focus on those provisions representing major substantive changes to financial reporting. The discussion includes illustrative examples and is focused on helping you understand the scope of changes and how they are likely to affect you.
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