Dynamics 365
Finance – Asset leasing

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Agenda

- Asset leasing capabilities
- Lease classification test
- Asset leasing components
- Asset leasing scenarios
- Demo
Microsoft Dynamics 365 Finance – Asset leasing

**Potential values**

**Finance**
- Complies with accounting standards IFRS 16 and ASC 842
- Dual currency converts lease transaction currency to accounting and reporting currency, complies with IAS 21
- Dual reporting to post lease transactions to different layers
- Adjustments and index revaluation

**Automation**
- Automates lease classification tests (finance, operating, low-value or short-term lease)
- Automates lease complex calculations of present value and subsequent measurements
- Lease accounting entry generation

**Integration**
- Company chart of accounts
- Fixed assets
- Accounts payable
- Financial dimensions
- Data entities import and export

**Controls**
- Audit controls over lease data and posted transactions
- Segregation of duties for lease creation and lease transactions postings

**Business outcomes**
- Lease reports covering commencement, movements, forecast and disclosure notes
- Streamline lease business process of lease creation, classification and posting
- Increase productivity by automating complex lease calculation and the lease administration team can focus on business decisions
Lease classification test

Exceeds low-value threshold
- No
- Yes

Exceeds short-term threshold
- No
- Yes

Transfer of ownership
- No
- Yes

Purchase option
- No
- Yes

Lease term
- No
- Yes

Present value
- No
- Yes

Unique asset
- No
- Yes

Low-value lease
- $$$

Short-term lease
- $$

Operating lease
- $$$
- $$

Finance lease
- $$$
- $$

Balance sheet
- IFRS 16
- ASC 842

Income statement
- IFRS 16
- ASC 842
Lease agreement

Lessor

Asset

Lessee

Lease calculation and accounting standards

IFRS

GAAP

Lease transactions

Asset leasing module

Lessor

Asset

Management decision

Payments

Contract

Lease data

Lease classification test

Finance lease

Operating lease

Short term lease

Low value lease

Lease payment schedule

Present value

Initial recognition

Monthly transactions

Lease liability amortization

Accrued lease payment

Lease depreciation

Lease adjustment

Lease impairment

Fixed assets

Accounts payable

General ledger

IFRS: International Financial and Reporting Standards

GAAP: Generally Accepted Accounting Principles
Lease import framework

- Data management
- Import
- Asset leasing
- Destination table
- Staging table

- Lease staging
- Payment contract staging
- Executory contract staging
Demo

Dynamics 365 Finance – Asset leasing
Asset leasing GA on 10.0.14 (Nov 2020)

Asset leasing get started in Docs site

Simplify and automate compliance with asset leasing in Dynamics 365 Finance

Private Yammer group

Microsoft Dynamics Ideas portal