

# SAP Lease Accounting

Simplify  
Your Lease  
Accounting

Ensure GASB  
Compliance

SAP Flexible Real Estate Management (ReFx) centralizes and automates lease management and your lease accounting process; making the financial impact of your leasing activities easy to monitor and report.

Functionality can be integrated with other core systems such as Accounts Receivable, Accounts Payable, Asset Management, General Ledger and CRM to empower all phases of the leasing process.

Helps ensure GASB-87 compliance.

GASB-87 requires reporting of leases as capital leases and eliminates the classification of an operating lease. GASB Statement No. 95 sets an effective date of July 1, 2021 for GASB-87, for public sector entities with a June 30 fiscal calendar.

Unless specified this applies to the related financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities.

SAP Flexible Real Estate Management (SAP ReFX) modernizes your Lease Accounting and ensures compliance with GASB regulations and reporting

# About Meridian Partners



## Our Ideal Client Profile

- They have grown organically, and don't have staff with the latest SAP application background to support the business.
- Are concerned with getting accurate and timely reporting on regulatory requirements.
- Recognize the value of centralizing lease accounting functions and integration with other modules to:
  - Connect lease records to "Right of Use" assets within the SAP Asset Management module.
  - Automate lease payments to corresponding business partners in the SAP Accounts Payable module.
  - Want lease agreement modifications or cancellations to automatically update the corresponding modules (A/R, A/P, Asset Management and G/L) as needed.

We have in depth knowledge of SAP Flexible Real Estate Management including Master Data Management, Contract Management, and Lease Accounting. Additional experience includes integrating with other SAP modules and Non-SAP applications.



# GASB 87 Compliance



## What is it?



- ⦿ Asset capitalization is based on the net present value of the lease payments (not the historical asset value).
- ⦿ Assets are recorded as “right of use” assets in the fixed asset section of the balance sheet.
- ⦿ An exception is made if the lease is short-term, defined as 12 months or less.
- ⦿ Lessees can follow capitalization limits (i.e., organizations set a capitalization limit below which expenditures are deemed too immaterial to capitalize, as well as maintain in the accounting records for a long period of time. For example, a limit of \$1,000.)
- ⦿ Applies to tangible assets even if those assets are provided as part of a service agreement.

## How SAP ReFX Works



- ⦿ Using the SAP Flexible Real Estate Management Module (SAP ReFX) an organization creates lease accounting records.
- ⦿ The lease records in turn create the “Right Of Use” assets within the SAP Asset Management module and the corresponding lease liability associated with the lease payments in the General Ledger.
- ⦿ SAP ReFX can also automate the lease payments to the corresponding business partners in the SAP Accounts Payable module.
- ⦿ SAP ReFX will handle the invoice to the corresponding business partner with the necessary integration to the SAP Account Receivable module and the deferred liability in the General Ledger.
- ⦿ Management of the lease agreements is then centrally maintained from within SAP ReFX. Changes or cancellation of the lease automatically update the corresponding modules in SAP (Accounts Receivable, Payable, Asset Management and the General Ledger) as needed.
- ⦿ SAP ReFX also integrates with Funds Management in order to support Public Sector clients.

## How We Win Together

### Best-Fit Resources

- ⦿ Highly experienced SAP Consultants Teams that ramp up quickly and get quick results.
- ⦿ Expert management of SAP in all areas.
- ⦿ Can supply support for upgrades, implementations, maintenance and support.

### On-Time, On-Budget Project Management

- ⦿ Proven methodologies and processes to reduce complexity and optimize performance.
- ⦿ Risk mitigation and comprehensive capabilities to meet compliance requirements.
- ⦿ Scalable solutions that grow with your business, so you pay only for what you need.

### Flexible Support Models

- ⦿ Comprehensive SAP Managed Services.
- ⦿ Ongoing analysis predicts and helps prevent performance and security issues.
- ⦿ Regular health reports that include a wide array of actionable data and information.

### Managed Services

# Client Testimonials

“ Meridian Partners has provided **experienced staff** to augment the Polk County Public Schools Business Process team for several years.

Recently, PCBP team hired Meridian Partners to do a Strategic Technology and Business Alignment Project which started with a deep dive into our current SAP and related business systems. This process gave us a roadmap for improving our current system as well as adding innovative tools that will improve operations and efficiencies.

I would **highly recommend their services for staff augmentation and implementation of ERP systems.** ”



**Dr. Tina Barrios**  
*Asst Superintendent  
Information Systems & Technology  
Polk County Public Schools*

“ Meridian Partners **provided a solution that met our needs and requirements.**

Their solutions were effective and efficient often coming in under budget and ahead of schedule.

We could not have been successful with them. Their **innovative thinking**, willingness to adapt and **out of the box thinking** kept the project on task and under budget.

They were a **great partner**, always to do whatever it takes to mitigate risk and **deliver a great solution.** ”



**Robyne Roberts Lyons**  
*Dir of SAP Technical Operations &  
SAP Service Delivery  
Commonwealth of Pennsylvania*

“ Meridian Partners provided **technical business services** to Florida State College of Jacksonville ... under two separate Statements of Work.

In addition to fully meeting their contractual obligations, I have found the Meridian resources to be **professional, knowledgeable and honest** in their dealings with the college.

I would recommend Meridian Partners to organizations seeking to purchase ERP software consulting services or process mapping consulting professional services. ”



**Larry Snell, CPIM**  
*Chief Business Affairs Officer  
Florida State College at Jacksonville*

“ As school districts across the nation face serious budget shortfalls, the Miami-Dade County Public Schools budget staff focused its attention on **streamlining the budget planning and reporting process.** To address this need the Miami-Dade Public School system contracted Meridian Partners.

They provided us with **highly talented people** that possessed the specific **Planning and Reporting experience** we needed to supplement our internal staff. Meridian Partners is a **great partner** and has been a key component of our success. ”



**Judith M. Marte**  
*Former Chief Financial Officer  
Miami-Dade County Public Schools*